

1     **VI. The Reappraisal Order Is Void Because It Denies Taxpayers**  
2     **Their Constitutional Rights To Due Process And Equal Protection.**

3     **A. The Reappraisal Order Denies Taxpayers Their Rights To Due**  
4     **Process And Equal Protection.**

5             The Equalization Order addresses the equalization of residential property at Incline  
6     Village/Crystal Bay for the tax years 2003-2004, 2004-2005, and 2005-2006. In those years, the  
7     Washoe County Assessor's office appraised property on a five-year cycle as permitted by law.  
8     The portion of Washoe County which encompassed Incline Village/Crystal Bay was reappraised  
9     in 2002 for the 2003-2004 tax year. The properties in that portion of Washoe County were not  
10    appraised again until 2007 for the 2008-2009 tax year. The value of the land portion of  
11    residential properties for the 2004-2005 and 2005-2006 tax years was determined by applying a  
12    factor to the land value established by the 2002 appraisal. The property owner/taxpayer had the  
13    rights outlined in Section III(C) above to challenge each year's valuation before the County Board  
14    of Equalization and, if necessary, the SBOE and the court system.

15            The "reappraisals" ordered by the SBOE alter this scenario in several particulars.  
16            Instead of a single appraisal done in 2002 serving as the base appraisal for all three tax years, the  
17    identified properties are to be reappraised separately each year for a total of three appraisals on  
18    each property. Rather than the valuation regulations as they existed in 2002, the Equalization  
19    Order specifically directs the Assessor to use the regulations "in existence during each of the  
20    fiscal years being reappraised." *Equalization Order, p. 9*. The Tax Commission adopted revised  
21    temporary valuation regulations in December of 2002. In August 2004, the Commission adopted  
22    additional revisions as permanent regulations.<sup>6</sup> By requiring reappraisals to be performed under  
23    the respective current tax year regulations, the SBOE was presumably looking to avoid the 2002  
24    regulations which the Supreme Court found constitutionally inadequate in *Bakst* and *Barta* and  
25    26    27

28            <sup>6</sup> The Tax Commission revised the valuation regulations again in 2008 and 2010,  
effective in 2012.

1 allow the Assessor to take advantage of the December 2002 and/or August 2004 revised  
2 regulations.

3 By limiting the Assessor to valuation methodologies reflected in regulations  
4 approved by the Tax Commission in existence in the tax year being reappraised, the SBOE has  
5 also required individual appraisals of all affected properties. Although mass appraisal was, in  
6 fact, used in the tax years in question, it was not approved as a methodology by Tax Commission  
7 regulation until 2008. Finally, and contrary to the established statutory process for challenging  
8 the initial valuation, no process whatsoever is provided by which property owners/taxpayers can  
9 challenge the reappraisal valuation of their property unless it is greater than the prior  
10 unconstitutional valuation.  
11

12 The Equalization Order is not entirely clear on which regulations the Washoe  
13 County Assessor is to follow. The Order describes the "regulations approved by the Nevada Tax  
14 Commission in existence during each of the fiscal years being reappraised." The first affected  
15 fiscal year – 2003-2004 – began July 1, 2003 and ended June 30, 2004. The December 2002  
16 temporary regulations were in effect for four months of that year, expiring by law on November  
17 1, 2003. *NRS 233B.063*. The original 2002 regulations were in effect for the remaining eight  
18 months of that year. No express direction is provided to the Assessor in the Equalization Order  
19 whether to use the December 2002 temporary regulations or the original 2002 regulations that  
20 were in effect for the most of the 2003-2004 tax year. In any event, other than as now directed  
21 under Equalization Order 12-001, no properties at Incline Village or elsewhere in Nevada were  
22 appraised for purposes of 2003-2004 tax assessments under the December 2002 temporary  
23 regulations.  
24

25 The 2004 permanent regulations became effective on August 4, 2004,  
26 approximately a month into the 2004-2005 fiscal year. Since the 2004-2005 tax bills went out  
27  
28

1 before August 1, 2004, no properties at Incline Village or elsewhere in Nevada were appraised for  
2 purposes of the 2004-2005 assessments under the 2004 permanent regulations. The 2004  
3 permanent regulations were in effect for the entirety of the 2005-2006 fiscal year and, depending  
4 on the 5-year appraisal cycle, would have governed the valuation of properties in Washoe County  
5 and elsewhere in Nevada for that year. The section of Washoe County that was appraised for the  
6 2005-2006 fiscal year was the Reno Central Core. No properties at Incline Village were  
7 appraised under the 2004 permanent regulations.  
8

9 Consistent with NRS 361.395 and the writ of mandate, the SBOE's order for  
10 reappraisal provides for a further hearing on any reappraised value that represents an increase  
11 from the previous unconstitutionally appraised value. Both the law and the writ, however,  
12 reference increases by the SBOE, not increases based on new appraisals. In fact, however, there  
13 is no reason to assume that valuations reached in new appraisals will satisfy constitutional  
14 requirements without regard to whether the valuation is more or less than the previous  
15 unconstitutional value. The Assessor has notably failed in the past to value property in  
16 accordance with constitutional requirements. The constraints of due process necessitate that the  
17 taxpayer owners of the properties being reappraised have the same right to challenge any new  
18 appraisal as the original appraisal. *Barta, supra*, 188 P.3d at 1095.  
19

20  
21 By ordering annual reappraisals and requiring the Assessor to use current year  
22 regulations in these reappraisals, the SBOE has mandated non-uniform treatment of Incline  
23 Village/Crystal Bay taxpayers. Incline Village/Crystal Bay taxpayers will be the only property  
24 owners in Nevada whose 2003-2004 tax year property values were determined under the 2002  
25 temporary regulations. Incline Village/Crystal Bay will also be the only property owners in  
26 Nevada whose 2004-2005 tax year property values were determined under the 2004 revised  
27 regulations. The Equalization Order violates the constitutional mandate of uniformity and denies  
28

1 taxpayers their rights to both due process and equal protection.

2 **B. "Constitutional" Reappraisals Cannot Be Performed.**

3 The SBOE's reappraisal directive fails of its essential purpose. Under the  
4 standards established by the Supreme Court in *Bakst*, reappraisals passing constitutional muster  
5 cannot be performed under either the original 2002 regulations or those regulations as revised in  
6 December of 2002 and/or August of 2004.

7  
8 **1. The Incline Village/Crystal Bay Properties Cannot Be**  
9 **Constitutionally Reappraised Under The Original 2002 Regulations.**

10 In its 2002 appraisals of residential property at Incline Village/Crystal Bay, the  
11 Washoe County Assessor used four methodologies primarily to accommodate for the lack of  
12 available comparable vacant land sales. Establishing standards by which all valuation  
13 methodologies are to be evaluated by other courts and administrative agencies to determine  
14 whether they meet constitutional muster, the *Bakst* Court found all four methodologies  
15 unconstitutional because

16 (1) "they were not consistent with the methods used throughout Washoe  
17 County."

18 (2) "they were not the same as the methods used by assessors in other counties."

19 (3) "county assessors in other counties appear to have used methodologies that  
20 were not uniform with those used by Washoe County for Incline Village and  
21 Crystal Bay." *Bakst, supra*, 122 Nev. at 1416, 148 P.3d at 726.

22 The *Bakst* Court placed the responsibility upon the Tax Commission for having  
23 failed to comply "with its statutory duty to establish regulations that the county assessors could  
24 adopt for circumstances in which comparable rates might be difficult to determine." *Id.*, 122 Nev.  
25 at 1414, 148 P.2d at 724.

26 As the Supreme Court wrote:

27 By using the mandatory term "shall," the Constitution  
28 clearly and unambiguously requires that the methods used for

1 assessing taxes throughout the state must be "uniform." \* \* \* Thus,  
2 county assessors must use uniform standards and methodologies for  
3 assessing property values throughout the state. 122 Nev. at 1413,  
148 P.3d at 724.

4 The lack of adequate Tax Commission regulations forced the assessors in 2002 to develop  
5 individualized valuation methodologies which were necessarily unconstitutional because they  
6 were not promulgated for uniform use throughout the state. *Id.* The valuation regulations as they  
7 existed in 2002 simply do not permit the constitutional valuation of residential properties at  
8 Incline Village/Crystal Bay. The SBOE/Department of Taxation has effectively admitted as  
9 much by directing that reappraisals be done using the subsequent revised regulations.  
10

11 **2. The Incline Village/Crystal Bay Properties Cannot Be**  
12 **Constitutionally Reappraised Under The 2002 Temporary Regulations**  
13 **Or The August 2004 Permanent Regulations.**

14 The "appraisal problem" at Incline Village and Crystal Bay is the lack of vacant  
15 land sales to support a comparable sales analysis to determine the value of the land portion of  
16 improved residential property. Accordingly, any reappraisal of Incline Village/Crystal Bay  
17 properties requires the use of alternative valuation methodologies. The original 2002 valuation  
18 regulations merely identified those alternatives as

19 Allocation (abstraction) procedure: An allocation of the appraised  
20 total value of the property between the land and any improvements  
added to the land.

21 In the absence of further regulatory direction, county assessors were forced to develop their own  
22 individualized approaches for implementing the alternative methodologies, necessarily  
23 unconstitutional under *Bakst*. The Tax Commission attempted to clarify their regulatory direction  
24 with respect to alternative methodologies first in the December 2002 temporary regulations and,  
25 to a greater extent, subsequently in the August 2004 permanent regulations.  
26

27 It is unnecessary to discuss the "clarified" alternative methodology provisions of  
28 either the December 2002 temporary regulations or the August 2004 permanent regulations. In

1 order to establish allocation or abstraction as a valuation methodology meeting constitutional  
2 standards under *Bakst*, the Assessor must demonstrate, first of all, that the results of applying  
3 either alternative methodology at Incline Village/Crystal Bay are "consistent" with the results of  
4 other valuation methods used in other parts of the County. To do that, the Assessor must show  
5 that the same results are obtained for land values whether the allocation, abstraction, or the  
6 comparable sales methods are used. Even if that could be done, the Assessor would then have to  
7 establish that the allocation and/or abstraction methods were used in the same way by assessors in  
8 the other 16 counties in Nevada. That particular pre-requisite to constitutional valuation cannot  
9 be met. The Department of Taxation itself, in its 2008-2009 land factor report, stated the  
10 following:  
11

12 [T] here is **no consensus model in existence** for the  
13 application of the alternative methodologies (abstraction or  
14 allocation) in the absence of a sufficient vacant land sales analysis.  
15 *2008-2009 Land Factor Report, p. 11 (Exhibit 6).*

16 The lack of a "consensus model" means that assessors in different counties applied  
17 the allocation and abstraction methodologies differently, undeniably destroying the  
18 constitutionally mandated uniformity of application. If there was still "no consensus model in  
19 existence" in 2008, there clearly was no single condominium valuation methodology used in all  
20 seventeen Nevada counties from 2003-2006. As a matter of both law and fact, no constitutional  
21 reappraisal of Incline Village/Crystal Bay residential properties can be performed for the 2003-  
22 2004, 2004-2005 and 2005-2006 tax years.

23 **VII. The Reappraisal Order Violates The Writ Of Mandate And Must Be Set Aside.**

24 The Writ of Mandate issued by this Court required the State Board of Equalization to  
25 "hear and determine" the equalization grievances of property owner taxpayers throughout the  
26 State of Nevada for the tax years from 2003-2004 to 2010-2011 and to "raise, lower or leave  
27  
28

1 unchanged the taxable value of any property for the purposes of equalization." The SBOE has  
2 failed to comply with those directives.

3 When the Washoe County Assessor admitted to having used the unconstitutional  
4 methodologies identified in *Bakst* in the valuation of all single family residential and some  
5 condominium properties at Incline Village/Crystal Bay, the SBOE determined to equalize by  
6 correcting those unconstitutional valuations. The SBOE is to be commended for its determination  
7 not to leave unconstitutionally determined valuations unchanged. Its inquiry, however, did not go  
8 far enough.  
9

10 The SBOE simply assumed, in the absence of any evidence whatsoever, that the  
11 remaining condominium properties at Incline Village/Crystal Bay had been valued  
12 constitutionally. The SBOE made its decision here as though, in *Bakst*, the Supreme Court had  
13 looked at *all* of the valuation methodologies used by the Washoe County Assessor in the 2002  
14 appraisal, found just four of them to violate the Constitutional mandate of uniformity, and  
15 implicitly validated all the remaining valuation methodologies in use. *Nothing could be more*  
16 *inaccurate*. In fact, the *Bakst* Court looked only at four methodologies and found them *all*  
17 lacking the essential attributes of constitutionality. Although it did not at any other specific  
18 methodologies including any methodology used to value the "land" portion of condominium  
19 properties, the *Bakst* Court clearly did not limit its ruling to the four identified methodologies.  
20  
21

22 If, instead of blindly assuming the Assessor's constitutional compliance, the SBOE had  
23 looked at the valuation of condominiums<sup>7</sup> at Incline Village/Crystal Bay for the 2003-2004, 2004-  
24 2005, and 2005-2006 tax years and had pursued that inquiry with assessors from other counties, it  
25

---

26 <sup>7</sup> In Nevada's taxable value system where the "land" and the "improvements" on improved  
27 residential parcels are valued separately, condominiums obviously present valuation methodology  
28 issues. As defined in NRS 117.010(2), a condominium consists of "an undivided interest in  
common in portions of a parcel of real property together with. . . [a] separate interest in *space* in a  
residential, industrial or commercial building. . . ."

1 would have found that the *Bakst* criteria for a finding of unconstitutionality were satisfied. There  
2 was no Tax Commission approved regulation for the uniform valuation of condominiums  
3 throughout Nevada in any of the tax years in question. Furthermore, condominiums were valued  
4 differently in Washoe County than in Douglas County or other Nevada counties.

5  
6 Accordingly, for all practical purposes, the SBOE never even heard the equalization  
7 grievances of the bulk of the condominium owner taxpayers at Incline Village and Crystal Bay.  
8 If the Board had heard those grievances, it would have found that all the condominiums like all  
9 the single family residences at Incline Village/Crystal Bay were valued using unconstitutional  
10 methodologies and that, under the law, all such valuations were void and all taxpayers were  
11 entitled to relief.

12  
13 Incline Village/Crystal Bay taxpayers proposed geographic equalization per the paradigm  
14 set by the Supreme Court in the *Bakst* and *Barta* cases and per the historically geographical basis  
15 of equalization reflected in prior SBOE decisions, including the 2006-2007 tax year decision  
16 resetting all residential values at Incline Village/Crystal Bay to their 2002-2003 levels as well as  
17 more localized decisions reducing valuations along Mill Creek and the lakefront at Incline  
18 Village. The historically geographical basis of equalization is also reflected in the regulation  
19 adopted years ago by the SBOE imposing a duty of geographic equalization upon county boards  
20 of equalization. NAC 361.624.<sup>8</sup>

21  
22 Geographic equalization for the 2003-2004, 2004-2005 and 2005-2006 tax years would  
23 require resetting the land values of all residential property at Incline Village/Crystal Bay for those  
24 years to their 2002-2003 levels, the last established constitutional levels. The SBOE instead  
25 focused on the Assessor's admitted use of unconstitutional methodologies. With that focus, the  
26 SBOE unanimously voted to reset to their 2002-2003 adjusted values those properties that the  
27

28  
<sup>8</sup> By law, the SBOE prescribes the regulations for county boards. NRS 361.340(11).



1 Assessor admitted to having previously valued unconstitutionally. Because this analysis relied  
2 solely on the Assessor's admission, it was inadequate and incomplete. In any event, in the third  
3 hearing in this matter, the SBOE abandoned this approach entirely, reversed its earlier decision,  
4 and ordered the Assessor to reappraise the unconstitutionally valued properties for the three tax  
5 years in issue.

6  
7 Although the specific implementation of the writ was left to the SBOE, the Court clearly  
8 did not intend and could not have intended that the SBOE should fail even to hear the  
9 condominium owners' grievances, that it should attempt to expand its statutory jurisdiction to  
10 include reappraisal, that it should unlawfully apply its 2010 equalization regulations retroactively,  
11 or that it should make a determination that violated the constitutional mandate of uniformity as  
12 well as the due process and equal protection rights of taxpayers. The Court must reject the  
13 SBOE's report for failure to comply with the terms of the Writ of Mandate, set aside the SBOE  
14 Equalization Order, and return this matter once more to the SBOE for equalization action in  
15 conformance with the terms of the Writ, the statutory jurisdiction of the Board, and the  
16 requirements of the Nevada and Federal Constitutions.  
17

18 Respectfully submitted this 21st day of February 2013.

19 SNELL & WILMER L.L.P.

20  
21 By: 

Suellen Fulstone, No. 1615  
50 West Liberty Street, Suite 510  
Reno, Nevada 89501  
Attorneys for Petitioners

22  
23  
24  
25 The undersigned affirms that this document does not contain the social security number of  
26 any person.

27  
28   
Suellen Fulstone

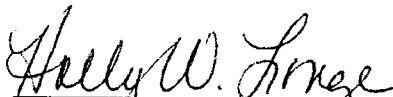
CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that I am an employee of SNELL & WILMER L.L.P., and I served the foregoing document via the Court's e-flex filing system on the date and to the addressee(s) shown below:

Dawn Buoncristiani  
Office of the Attorney General  
100 North Carson St.  
Carson City, NV 89701

David Creekman  
Washoe County District Attorney's Office  
Civil Division  
P.O. Box 30083  
Reno, NV 89520

DATED this 21st day of February, 2013.

  
Employee of Snell & Wilmer L.L.P.

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Title of Exhibit</u>	<u>No. of Pages</u>
1.	Portions of November 5, 2012 SBOE transcript	17
2.	Portions of December 3, 2012 SBOE transcript	19
3.	Biographies of SBOE Board from Department of Taxation website	2
4.	Resume of Benjamin Q. Johnson	2
5.	Biography of Russ Hofland as prior Member of SBOE Board	3
6.	2008-2009 Land Factor Report, Department of Taxation, Division of Assessment Standard	3

# EXHIBIT 1

**FILED**

Electronically

02-21-2013:08:43:37 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3547722

# EXHIBIT 1

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE BOARD OF EQUALIZATION  
STATE OF NEVADA  
-ooo-

PUBLIC HEARING  
AGENDA ITEM L5 (Writ of Mandamus Hearing)  
Monday, November 5, 2012  
Nevada Legislative Building, Room 4100  
Carson City, Nevada

REPORTED BY: CAPITOL REPORTERS  
Certified Court Reporters  
BY: CARRIE HEWERDINE, RDR  
Nevada CCR #820  
California CSR #4579  
Carson City, Nevada  
775-882-5322

1                   MEMBER MESERVY: So, I mean, what -- why are  
2 we asking for that here?

3                   CHAIRMAN WREN: We're not. I'm just taking  
4 the testimony for the record.

5                   Okay. Thank you. And let the record reflect,  
6 with our discussions with you, it was much longer than  
7 five minutes.

8                   Terry, do you have recommendations for us?

9                   No? You know, one --

10                  MS. RUBALD: I guess I would like to just add,  
11 for the record, that -- that I would like, that NAC  
12 361.652 is the definition of "equalized property," and it  
13 means "to ensure that the property in this state is  
14 assessed uniformly in accordance with the methods of  
15 appraisal and at the level of assessment required by law."

16                  And if the assertion is that the methods of  
17 assessment or the methods of appraisal were not uniform  
18 then I think that there isn't enough information in the  
19 record. As the assessor testified, we don't know which  
20 properties had the four methodologies applied to them and  
21 which did not.

22                  And if they -- if they were  
23 unconstitutional -- they are unconstitutional, but  
24 whichever properties had that, you know, you might want to  
25 explore what happens when you remove those methodologies.

1           If you remove those methodologies, what's the  
2     resulting value and is that resulting value then at a  
3     level of assessment that does not comply with law?

4           CHAIRMAN WREN: Well, and that's -- that --  
5     that is my -- my concern through all the testimony, for  
6     all the years I've been listening to this, is that by law  
7     the assessor has to assess the land, and that's the only  
8     thing that we've been talking about. There hasn't been  
9     any testimony as to misuse or the wrong use of Marshall  
10    and Swift for the improvements.

11           So when the assessor has to look at the land  
12    and look at the market value of the land, he has to make  
13    comparisons between sales and/or comparisons between  
14    improved properties through the extraction method  
15    appropriately.

16           So regardless of what it's called, and -- you  
17    know, you get into -- and I've said this before, that I  
18    disagree with the Supreme Court, as far as their decision  
19    because of the use of the terminology that they're using.  
20    These -- these aren't -- you know, time adjustments and  
21    view adjustments are not methodologies.

22           They're units of measurement, which the  
23    assessor has to -- all property is not identical. Okay?  
24    A lot next door can be different than the lot on the other  
25    side of it. Okay? So the -- it's the assessor's job to

1 I believe that we could provide the  
2 neighborhoods that the -- the neighborhood and condominium  
3 complexes, which would show whether one of the four  
4 contested methodologies was used.

5 CHAIRMAN WREN: Okay.

6 MEMBER MARNELL: My followup question to  
7 Mr. Wilson is: What kind of effort is involved in that?

8 JOSH WILSON: It would certainly be some  
9 effort, but at the same time this was the exercise that we  
10 took up -- took -- that we utilized for settling the  
11 individual '06-'07 and '07-'08.

12 So we could certainly to -- to do that. I  
13 think, what you may hear from the other side is: Well,  
14 you still have some at this level and some at here. Is  
15 that equalization?

16 But I -- I don't know. So -- but, yes, we  
17 could certainly provide that information to this Board.

18 CHAIRMAN WREN: You asked for it. Okay.  
19 Thank you.

20 MS. RUBALD: Mr. Chairman, could I just ask:  
21 Are we -- you mentioned condominiums specifically. Does  
22 that mean every single-family residence and commercial  
23 property used one of the four methodologies?

24 JOSH WILSON: Umm, I don't believe the Bakst  
25 decision was -- was application to any commercial



1 property. What it would be is -- and I can tell you off  
2 had top of my head, every free-standing single-family  
3 residential neighborhood in Incline Village and Crystal  
4 Bay, free-standing -- not a condominium, free-standing.  
5 Those neighborhoods utilized one of the four contested  
6 methodologies. So those are the 2500 or so tax-paying  
7 parcels, because the majority -- there's a lot of that  
8 that is owned by the State of Nevada.

9 When you move over to the condominium side,  
10 what you'll find is, I think, there was roughly 4,000  
11 condominiums up there, and there was a little bit over  
12 3100 -- 4,000 parcels of condominium, and roughly a little  
13 over 3100 of those were not valued using one of the four  
14 contested methodologies.

15 MEMBER MESERVY: My concern is, though, what  
16 about Reno and other areas? What -- how many do we have  
17 over there? Do we even know?

18 JOSH WILSON: You won't have any with a view  
19 classification system of Lake Tahoe, because you can't see  
20 the lake from anywhere in the valley. That's why we  
21 developed that view classification.

22 And actually I don't know even know if I  
23 should have answered that. I'm not sure any of those  
24 people are here before you, so I -- I can't talk.

25 MEMBER MARNELL: I have some thoughts on that.

1                   MEMBER MARNELL: Well, what I guess I want to  
2                   make sure is that -- I thought I heard Josh say that there  
3                   was about 1,000 condominium people involved in this, as  
4                   well, that -- where it was not equally assessed, 4,000.  
5                   4,000 parcels -- can you -- can I get that reclarified?  
6                   JOSH WILSON: Yes. There was roughly 4,060  
7                   total condominiums up at the lake. 3158 of those were not  
8                   subject to one of the four methods, and I'm showing 902  
9                   condominiums were subject to one of the four methods.  
10                  MEMBER MARNELL: Okay.  
11                  MS. RUBALD: Mr. Chairman? Could I add one  
12                  thought.  
13                  CHAIRMAN WREN: Okay.  
14                  MS. RUBALD: After you find out which  
15                  properties had one of the four methodologies applied to  
16                  them, and then whatever you decide to do with them, do you  
17                  still then have an equalization problem with those that  
18                  did not have any of those methodologies applied?  
19                  And that's where a sales ratio study comes in,  
20                  so that you can measure, by area, whether they're within  
21                  the range that is provided for in 361.333. It's a  
22                  two-part process.  
23                  MEMBER MARNELL: But let me ask a question on  
24                  that. That's a good point, Terry. That will round out  
25                  the remainder of this, at least in my head, is that if

1 they weren't done with one of the unfour [sic]  
2 unconstitutional methods, then I would have to assume that  
3 they were done constitutionally, and those property tax  
4 people -- those property taxpayers did not appeal, and  
5 their dues -- due process rights have passed. That would  
6 be the counter to that.

7 MS. RUBALD: Except I'm still going on what  
8 your regulation says about what the definition of  
9 "equalization" says, and it's not only the methods used  
10 but whether it reaches the proper level of assessment.

11 Because if you remove some of those methods,  
12 you could result in a value that's either too high or too  
13 low.

14 MEMBER MARNELL: So it wouldn't be removing  
15 methods from people who had constitutional assessments.

16 MS. RUBALD: Well, that's true. So they're  
17 going to -- they're going to presumably be already within  
18 the range.

19 But what about those that had these  
20 unconstitutional methods applied? You remove the effect  
21 of that, you come up with a new value. Is that value  
22 within the range of the level of assessment? And the only  
23 way you can do that for land for market value is to do a  
24 sales ratio study.

25 MEMBER MARNELL: Do you have any thoughts on

1 JOSH WILSON: It's a -- it's a 1.0 which is --  
2 MEMBER MESERVY: Yeah, 1 -- so no change.  
3 JOSH WILSON: Correct.  
4 MEMBER MESERVY: Not 1 percent. So I would --  
5 MEMBER JOHNSON: I would -- I want to  
6 understand how, between '02 and '04, property values  
7 didn't increase at all. In the lake portion of the Washoe  
8 County I've seen a lot of evidence to the contrary to that  
9 that would bother me. I don't know what it's based on.  
10 JOSH WILSON: It was based on the land factors  
11 approved by the Nevada Tax Commission through the Land  
12 Factor Analysis provided in 361.260.  
13 MEMBER JOHNSON: Okay.  
14 MEMBER MARNELL: And I agree with you on your  
15 concern there. I'm just going off a basis that's already  
16 been established by the Tax Commission.  
17 So the next time Ms. Fulstone has a problem,  
18 maybe she can go see them on their factor problems. I'm  
19 just kidding. So that -- I guess if I can summarize that,  
20 Mr. Chairman, at the end of the day, my motion is -- is  
21 to -- and I'll try to be as clear as I can --  
22 approximately 900 multi-family residences, which  
23 Mr. Wilson will go take a look at to confirm that they --  
24 one of the four methods were used, same thing on all the  
25 single-family residences in Incline and Crystal Bay.

1           If that is the case, he will role them back to  
2     the '02-'03, which is the last constitutional year, and  
3     provide the factors that we've stated by the Nevada Tax  
4     Commission, and we will follow the Judge's writ per the  
5     NRS 361.3952, that if anybody's taxes are increased we  
6     will follow that Nevada Revised Statute.

7           And that's my motion.

8           CHAIRMAN WREN: What for the years -- for the  
9     years up through and including '05-'06.

10          MEMBER MARNELL: Yes, I don't believe that  
11     there's any reason to go beyond '05-'06.

12          CHAIRMAN WREN: Right. Okay.

13          MEMBER MARNELL: Those have been settled. I  
14     think there have been changes to the law since then. All  
15     kinds of things have happened, and I don't believe that's  
16     what's on the table in this request.

17          MEMBER MESERVY: So just so I'm clear -- just  
18     so I'm clear, it's not just those who -- who appealed,  
19     then, is what you're saying?

20          MEMBER MARNELL: What I -- I -- I want this to  
21     be equal for all those who had an unconstitutional  
22     appraisal. That's what -- that's what my motion is based  
23     on.

24                 I originally was -- like I said, originally, I  
25     was going down the path of only the people that were

1 before us, that followed their due process rights, and  
2 went through this lengthy process to be here until today.

3 But with feedback and comments from all of  
4 you, I think it's better that we clean this across the  
5 board, once -- for anybody who had this. It's the best I  
6 can do with what I understand.

7 MEMBER MESERVY: And I -- and I like what  
8 you're saying. One last thought, though, is -- then will  
9 this backfire if it goes outside of -- to other people  
10 outside of the area of just -- of just Incline Village and  
11 Crystal Bay?

12 MEMBER MARNELL: I don't think it does, and I  
13 think that Mr. Wilson's testimony is -- is accurate,  
14 because a large portion of these, if not all of these, the  
15 view form was used.

16 And if you don't have a view of the lake or  
17 you're not -- I don't believe -- none of those people have  
18 been here before us, ever, on any of these issues. I'm  
19 not going to be arrogant enough to assume that they've had  
20 these issues.

21 I can't make that assumption today, that other  
22 people in Reno, or Sparks, or any place else had had  
23 unconstitutional methods or not.

24 All I know is that the people before us,  
25 representing a large portion of the taxpayers in that very

1 particular geographic area, are here stating that, and  
2 they've been here stating that ever since the first day we  
3 came here.

4 And I would not feel comfortable jumping  
5 outside of that boundary line unless I had some other  
6 evidence, any shred of evidence to say that that was  
7 something that happened.

8 And if that's something that somebody else  
9 wants to look into, then maybe so, Dennis, but I think  
10 that -- I think that we're putting this in a box in which  
11 it's been brought to us where the issue lies, and I think  
12 that we are, at least right now, making a motion to put  
13 the years that are in front of us, that are in question on  
14 the table until a lot of this law has been amended and  
15 clarified about what could and could not be done, and  
16 hopefully come up to an applicable resolution for both  
17 parties that puts this behind us. So that's ...

18 MEMBER MESERVY: And I'll -- I'll be willing  
19 to second that and -- the motion, but I also want -- my  
20 thought is that -- I'm hoping that we're just making it  
21 clear that we believe that was where the equalization  
22 issue is, and that even if people came later expecting  
23 to -- because some of the methodologies were used in other  
24 areas, that we don't think there's an equalization issue,  
25 that's the question in my mind, and that's kind of what

1 we're stating here.

2 And that's what I've been saying.

3 MEMBER JOHNSON: And my question is: Do we  
4 need a ratio study of these new values, however they turn  
5 out to make sure they are fair and equalized or is that  
6 not something that needs to be done?

7 MEMBER MESERVY: I don't believe we need to go  
8 there. I think it's just a cost to everyone.

9 MEMBER JOHNSON: Oh.

10 MEMBER MESERVY: I don't think it's going to  
11 create much of a difference here.

12 MEMBER MARNELL: I think the only that that --  
13 I think that would be good, in my opinion. I think your  
14 suggestion is great, given a different context.

15 I think that this -- again, I don't think  
16 there's a perfect solution to this. From -- from my  
17 history here trying to understand this, I think that  
18 this -- this ends it or maybe it doesn't. But hopefully  
19 it ends it, and then the parties can build upon a new day  
20 here with new law and more clarification as we go forward.

21 But if we ask for different studies to  
22 continue to happen, then I think that we'll never have a  
23 resolution. There's an issue with the study. It wasn't  
24 done right. Terry's going to have to run 5,000 workshops  
25 over the next decade, and we might get to this into the



1 2020 timeframe.

2 At least it just doesn't seem like those  
3 studies or those analyses ever go very quickly. It's not  
4 a quick process. That's my only concern with giving  
5 further information to come into the mix.

6 I think it's very clear. I think, what we've  
7 said -- at least in my motion. It's been very objective.  
8 Josh has a task to do. He knows those properties. He can  
9 confirm, and then they have a very -- very set base line  
10 to go back to, and they have a set matrix to follow, and  
11 they have a conclusion, and there's no deviation from the  
12 path.

13 CHAIRMAN WREN: Okay. And --

14 JOSH WILSON: And, Mr. Chairman, just one  
15 point that I want to add if the Board goes in this  
16 direction, I'm not comfortable changing these values in my  
17 system.

18 I think the Board can make any motion they  
19 want to direct me for information, but I did -- if the  
20 values get altered by this Board, I want them to be  
21 presented to this Board, so that it's clear what action  
22 was taken as the basis for me to change any value in my  
23 system, just making a motion, saying, "the assessor, go do  
24 this," I'm very uncomfortable with.

25 And I have no problem preparing all the

1 information and having it approved by this Board.

2 CHAIRMAN WREN: That makes sense.

3 MEMBER MARNELL: Let me amend that in my  
4 motion, that you can put together a summary analysis for  
5 each property with this information, and bring it, and  
6 send it back to us, and maybe it's a consent agenda item  
7 that we can see it all, and go through and make a final  
8 motion to approve, so you have what you need for cover, to  
9 go do what you're saying, and it's not just you doing it  
10 and then we start other sets of issues.

11 At least at that point the responsibility  
12 falls on the Board. I'm more than happy to take that  
13 responsibility. I am, anyway. I don't speak for --

14 CHAIRMAN WREN: Okay. Do we have a  
15 friendly --

16 MEMBER MESERVY: I have a second.

17 CHAIRMAN WREN: Okay. Amendment to the  
18 second.

19 And how much time will you need to do this?  
20 Six years? Seven years? What?

21 JOSH WILSON: You could direct me to have it  
22 available at your most practical noticed next meeting, and  
23 it will be done.

24 CHAIRMAN WREN: Okay. Because we have to  
25 report back to the judge in February.

1 MS. BUONCRISTIANI: Yes, and we don't have a  
2 hearing before then.

3 CHAIRMAN WREN: But -- which is fine, I think.  
4 I think that if we've held the meetings. We made a  
5 decision. You can report back what we've done.

6 What -- it doesn't have to all be  
7 accomplished, I don't think, in that 90 days. The  
8 hearings had to, and the decision -- we've made -- we're  
9 getting ready to make a decision.

10 MEMBER MARNELL: I think the decision,  
11 unless -- if the motion passes, in my mind, the decision  
12 has been made.

13 Now the work needs to get done, and all the  
14 Board's asked for is a confirmation in order to -- what I  
15 believe is appropriate, which is to give Mr. Wilson the  
16 confidence and the record that allows him to go make  
17 changes to his system, so he's not just doing it without  
18 us knowing that any of these values.

19 CHAIRMAN WREN: Okay. Dawn?

20 MS. BUONCRISTIANI: I'm -- I'm not really sure  
21 that -- of your role. There are other things in here that  
22 talk about you having the hearing and take the action --  
23 you will have taken the actions. You know, you won't have  
24 taken that final action, though, I mean, in terms of the  
25 values by then.

1 MEMBER MESERVY: Well, also my question is:  
2 Do we have to notify people whose values even go down and  
3 there's no reason?  
4 MS. BUONCRISTIANI: There's nothing to do if  
5 they go down.  
6 MEMBER MESERVY: I just want to make sure.  
7 CHAIRMAN WREN: So. In your motion, we'll  
8 direct Josh to have it completed by -- what was the --  
9 MS. BUONCRISTIANI: It's in February, but  
10 so -- I'm not sure when you'll want to have a hearing.  
11 You can probably do this by telephonic conference if you  
12 want to do something like that.  
13 CHAIRMAN WREN: So the first part of February,  
14 and what we'll do is have Terry agendize a -- a hearing  
15 for us, for you to present this information some time the  
16 beginning of February.  
17 JOSH WILSON: Is there any way to move that  
18 into closer to -- we're in county board all month of  
19 February.  
20 MS. BUONCRISTIANI: January would be better  
21 for me, because I have to write a brief for the court.  
22 JOSH WILSON: Or in two weeks or three weeks  
23 or whatever we need.  
24 MEMBER MESERVY: That's fine.  
25 CHAIRMAN WREN: Okay.

1           MEMBER MARNELL: I think as fast as Josh feels  
2 he can do it, it's appropriate, Mr. Chairman, and maybe we  
3 don't have need to the convened Board. Maybe we can have  
4 a video conferencing where we can go through the data on  
5 our own, like we always do, and come together, and we all  
6 can say we either agree with the data or we don't.  
7           If we don't, there might be some more work to  
8 do. If we do, we can finish this motion, and we can be  
9 done.  
10           CHAIRMAN WREN: First week -- some time the  
11 first week of December then?  
12           JOSH WILSON: That would be fine.  
13           CHAIRMAN WREN: Okay. I've amended your  
14 motion to include that, and you've agreed to second it?  
15           MEMBER MESERVY: Second.  
16           MEMBER MARNELL: Thank you, Mr. Chairman. The  
17 pressure was unbelievable. I'm glad you're now a part of  
18 that.  
19           CHAIRMAN WREN: I feel better, too.  
20           Okay. All in favor say "Aye."  
21           ("Aye" responses)  
22           CHAIRMAN: Opposed?  
23           Motion carries unanimously.  
24           (Vote on the motion carried unanimously)  
25           CHAIRMAN WREN: Thank you very much.

# EXHIBIT 2

**FILED**

Electronically

02-21-2013:08:43:37 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3547722

# EXHIBIT 2

CERTIFIED COPY

STATE OF NEVADA  
DEPARTMENT OF TAXATION  
STATE BOARD OF EQUALIZATION

TRANSCRIPT OF PROCEEDINGS

PUBLIC MEETING

MONDAY, DECEMBER 3, 2012

THE BOARD:

TONY WREN, Chairman  
AILEEN MARTIN, Member  
DENNIS MESERVY, Member  
ANTHONY MARNELL III, Member  
BENJAMIN JOHNSON, Member

FOR THE BOARD:

DAWN BUONCRISTIANI, Esq.  
Deputy Attorney General

FOR THE DEPARTMENT:

TERRY RUBALD, Chief, Division  
of Assessment Standards  
ANITA MOORE, Division of  
Assessment Standards

REPORTED BY:

CAPITOL REPORTERS  
BY: CHRISTY JOYCE,  
Nevada CCR #625  
515 West Fourth Street, Ste. B  
Carson City, Nevada 89703  
(775) 882-5322

2003-2004 was the reappraisal year?

MR. WILSON: That's correct.

CHAIRMAN WREN: And I normally ask this before and I'm asking it as an appraiser because it doesn't make sense to me to roll everything back in 2002 values when we know that the market was increasing dramatically but not as dramatically as it did in '03, '04, '05. The market was increasing back then.

My concern in just saying these are the right values is it makes more sense to me to ask you, utilizing this information what would the percentage increase be during that period and/or if you had utilized other adjusting techniques in your reappraisal would your value still have been similar to what you actually had on them in 03-04?

MR. WILSON: My answer would be yes. During the 2006-7 hearing before the State Board of Equalization as well as the 2007-8 hearings before the State Board of Equalization, which all occurred in 2007 for the most part because of the pending stay by the Supreme Court, there was a lot of information in the record which said or articulated what the factor would have been if we would have applied it to the rollback number versus the non-rollback number.

And clearly, if you look at this on a value basis, none of the properties at the lake ever were excessive as measured by the taxable value exceeding their market



market adjustments. They might not be the same variety.

And finally, I just wanted to reiterate the importance of NAC 361.652, which is your regulation that defined equalization. It says that equalized property valuation means to ensure that the property in this state is assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law. It's a two-part requirement. I know you've heard me say this before. But the methodology and the relationship to taxable value which in itself consists of fair market value for land and replacement costing statutory depreciation from improvements must be uniform among similarly-situated properties. If a method is not uniform and is struck down, as has happened, the property still has to reach the parameters outlined in NRS 361.333 to meet the statutory level of assessment.

MEMBER JOHNSON: Could you say that one more time?

MS. RUBALD: If a method is not uniform and is struck down as the Supreme Court struck down methodologies, those properties still have to reach the parameters that are outlined in NRS 361.333, which is for land, for instance, has to be within 32 to 36 percent. The level of assessment has to be between 32 and 36 percent of the taxable value. And taxable value for land is defined as fair market value.

provided for the valuation of properties primarily by comparable sales or in the absence of sufficient comparable sales by processes of allocation, extraction, I think one -- I think allocation extraction was one category and there was a third category for cost. But I'm sure Dawn will find it for you.

Whatever the definition of equalization, and there was none in 2002-3. The Supreme Court in its Barta decision said, and I'm quoting now, the Barta decision is also in your record, but it talks specifically about the duties and obligations of the State Board of Equalization. "Nevada's constitution guarantees," and I quote, "a uniform and equal rate of assessment and taxation."

"That guarantee of equality should be the board of equalization predominant concern and that concern is not satisfied by merely ensuring that a property's taxable value does not exceed its full cash value.

Under Bakst, a valuation developed in violation of a taxpayer's constitutional right to a uniform and equal rate of assessment and taxation is an unjust valuation. And upholding an assessor's unconstitutional methodologies the state board applies a fundamentally wrong principle." And that's the end of the quote from the Barta case.

But what the Supreme Court has directly told this board and taxpayers is that you can't fix unconstitutional

MS. FULSTONE: I'm sorry. You'll have to ask me that again. I don't think what?

CHAIRMAN WREN: Okay. The value should increase in '03 and '04 even though that was a reappraisal year and there is ample market evidence that values had increased significantly during that period of time?

MS. FULSTONE: No, I don't. And partly that's a matter of policy and partly that's just a matter of equalization to what this Supreme Court has decided. The Supreme Court could have said Washoe County, go back and do these following the regulations. They didn't.

When the assessor uses unconstitutional, unauthorized methodologies to value property, a do-over by the assessor is not, from a policy standpoint, an appropriate remedy. What the Supreme Court said is we're not going to allow a do-over. We're going to take these back to 2002, the last year that was not challenged by the taxpayers.

And that I think in fairness and as a matter of policy is where all of these values -- Again, as a matter of fairness and policy that's where all of these values that the assessor has himself identified as being developed using unconstitutional methodologies should be reset with the exception obviously of the ones that go down.

CHAIRMAN WREN: So what do you think -- What is your opinion? If this goes back to 2002-2003 using 1.8

factor, they're going to be excessively below full cash value. We'll be at the equalization if we do that.

MS. FULSTONE: You -- I don't know about you. The properties at Incline Village will not be out of equalization if they are returned or reset at 2002-3 values. They will be an equalization with the properties that have already been reset to those values by the courts. And that's the grievance that's before the board and that's the decision for the board to make.

CHAIRMAN WREN: Okay. Other questions? Aileen, are you out there? Any questions?

MEMBER MARTIN: Not yet. Thank you.

CHAIRMAN WREN: Okay. Anthony.

MEMBER MARNELL: Mr. Chairman, I apologize. I'm a little confused. I thought we already made this motion and we're here today to decide -- to look at what Mr. Wilson has presented. I believe my motion was to roll back to 02-03 with a 1.08 factor and for Mr. Wilson to go run the list so we could confirm the numbers. Are we rehearing this again or are we -- Correct me where I'm wrong.

CHAIRMAN WREN: No. I think that you are correct. But I'm taking as much testimony as possible because I'm concerned that the numbers -- what we wanted to do when we saw what we wanted with your motion was to have the assessor bring it back to us so we can see exactly what

equalized property valuations. This is the definition. Equalized property valuations means to ensure that the property in this state is assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law.

MEMBER MESERVY: You read it so quick. Did we use the word "value" in there?

MS. BUONCRISTIANI: It says means to ensure that property in this state is assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law.

MEMBER MESERVY: Because I didn't hear the word "values," but I guess --

MS. BUONCRISTIANI: The level of assessment would result in value. And Ms. Rubald can explain, possibly explain that to you.

MEMBER MESERVY: That might be helpful.

MS. RUBALD: Mr. Chairman, Mr. Meservy, Terry Rubald for the record. The level of assessment required by statute is 35 percent of taxable value. And then we have to refer to NRS 361.227 to find out what taxable value means. And for land, taxable value means fair market value. With the exception of highest and best use, we have to look at actual use rather than highest and best use. And for the improvements, we have to look to replacement costs less

independent of the Tax Commission. I had my --

MEMBER MESERVY: So it's been well before 2002?

MS. BUONCRISTIANI: That the Tax Commission and the state board became separate bodies, yes.

MEMBER MESERVY: Okay. Thank you.

MEMBER JOHNSON: I have a question for you, Ms. Fulstone. And that is any part of what you're alleging do you include taxable value exceeding market value?

MS. FULSTONE: I don't -- I don't think taxable value exceeding market value is raised as an issue in any of the proceedings with which I am familiar. But I'm not clear how, Member Johnson, you think that it might apply here.

MEMBER JOHNSON: I just wanted to narrow down the issues that were before us and make sure there wasn't any evidence to support taxable value being an excessive market and what you just said because there was no evidence and that wasn't something that was considered.

MS. FULSTONE: No. Again, I think the issue is the use of unconstitutional methodologies and the courts having deemed the resultant value to be null and void. I don't think the Court went back and said -- and measured against any particular valuation number. Again, it is a function of methodology that the valuations are unconstitutional.

MEMBER JOHNSON: Thank you.

else we know, we know by virtue of the report made by the assessor today that the properties he has identified were valued using unconstitutional methodologies. There is no reason to go looking to other counties. That's all I have, unless there are other questions.

CHAIRMAN WREN: Questions? Okay. Anybody else want to say anything? Mr. Wilson, anything else? Terry.

MS. RUBALD: Thank you, Mr. Chairman. I guess I just need to point out that you can't isolate NAC 361.652 from all the other definitions and the regulations that you have about equalization. For instance, NAC 361.654, which defines the ratio study, means an evaluation of the quality and level of assessment of a class or group. So it isn't just 35 percent, just a mathematical thing. We're looking for the quality and uniformity of assessment through statistical analysis.

CHAIRMAN WREN: Okay.

MS. FULSTONE: Mr. Chairman, if I might respond briefly. As indicated in the brief that, rebuttal brief that I had filed with this board, the ratio studies, the statistical ratio studies that were done at the -- for the years 03-04 through 05-06 do not address equalization at Incline Village, as Ms. Rubald herself admitted earlier. To the extent that the 05-06 ratio studies even address Washoe County, it's not clear that there is a single Incline Village

is going to mention to you as well that these regulations that the LCB File RO31-03 was adopted August 4th 2004 and all of those unconstitutional methodologies are now provided for when they were adopted in 2004. So I do wonder whether the 05-06 years even subject to this because those regulations were in place.

MS. FULSTONE: Mr. Chairman, I apologize for prolonging the agony here as well. But what Ms. Rubald has said is it is likely to mislead the board if I don't correct it.

This issue of the 2004 regulation was directly addressed in the Barta case. And because the 2003-4 appraisal was the base year for both 04-05 and 05-06, what the Court said was it doesn't matter that the regulations have changed. These earlier and this appraisal was done in 03-04 before the regulations were changed. So the appraisal done by the Washoe County assessor for 03-04 is unconstitutional for 04-05 and 05-06 as well, per the decisions of the Supreme Court.

CHAIRMAN WREN: Okay. Anything else before I close the hearing? Because once I close the hearing, I'm not going to accept anymore testimony today. Okay. So the hearing is closed.

Anthony, I want to go back to you. It was your motion that got us here. But I told you my concern and I'm



going to reiterate it for everybody though is that, you know, I agree that with all the testimony and all the things we've heard through all of these years now that given all the arguments that perhaps we need to start with the basis of 2002-2003 and then move the values forward.

With the information the assessor brought us, I don't think that they're representative of what the full cash value should be on those and I'm not sure with the testimony that I've heard that you use a percentage or you can do a ratio study or there's any way to go back this many years and be equitable to everybody, including the people, the property owners on his list.

However, one of the things that we've heard time after time after time after time is that there really has never been any argument that these weren't, values did not exceed full cash value.

And as the appraiser, and there may be another appraiser on this -- As an appraiser, I keep going back to that thought that if they weren't, if they didn't exceed full cash value and if we were doing this back in 2004 and five instead of 2012-2013, we probably would have done a couple different things. We would have said, listen, you used methods or used techniques that weren't codified, redo them and tell us what the value would be. And I've asked that question of the assessor several times now and what the

answer has always been is that the values probably would be similar or the same as what you put on the values to start off with, which are the best I can tell what they would have been given similarly-situated properties.

So those are my thoughts, Anthony, and I'll let you go from there and then I'll give everybody else a chance.

MEMBER MARNELL: Okay. Mr. Chairman, I will try to be as clear as possible with what I've heard today and my opinion. First of all, with all due respect to all of my fellow board members, I think that this issue is so complicated and so deep, it sounds to me like regardless of what we do this is going to go to a higher place to be decided. And I think that the Washoe County's paper is a clear position of that. And we already know where Ms. Fulstone sits because she's already in the court.

So in saying that though, I still feel obligated to do the best I can with my fiduciary duty as a member. And so, therefore, I will give you my following comments based on the testimony.

At this point in time, based on what I've heard today, I don't see any reason to change the motion that I made back in November and I will tell you why. It is clear to me that unconstitutional methods were used for the years in discussion. It is also clear we had discussion about what I see is the other alternative, which is to go back and

right now is that we're not dealing with full cash value and all of the other things. We're dealing with, again, unconstitutional methods.

And then in the brief provided by the county by Mr. Creekman talks about in our September hearing that we heard other grievances. And that's exactly what they were. They were grievances that were investigated and still are being investigated. And I believe Terry is still going to be doing work on the other people that testified before us. But there is no convicting evidence of any unconstitutional method or anything illegal in the September testimony of 2012 that we took.

So to say that we did not take action there, I do not agree with. We heard evidence or we heard people's testimony where they felt there may be some things that are unjust and some of those things are still being investigated. And if we find that, I guess it would be fair to say we would take the appropriate action at the time when we had that concluded. But right now that's not concluded and/or it was found to be not accurate.

So the Washoe County, Incline Village/Crystal Bay specific issue is the one that is before us, it has an enormous case file as it sits right in front of your desk today and it has an enormous record all the way up to the highest court in the State of Nevada. And that's the issue

that has come back before us as well as investigating the others. But the others don't have any conclusive evidence.

So I sit today in the same spot I sat in September and the spot that I made the motion in November that while this is -- this is not a financially fun issue to deal with and it's on a massive scale, the facts I think are clearly laid out from the perspective of what the Supreme Court did. And I put in my notes whether we agree with it or not. And I know that there are many board members that do not agree with the decision that the Supreme Court made. I in part can be, because I'm not an educated appraiser like yourself, I kind of sit on the fence about what they did and the approach that they took. But irregardless, that's what they did.

And so in following the path and following what they said, that was why I made the motion that I made in moving forward. And I don't hear anything today that gets me to want to change my mind. And again, I understand that we're talking about a combination, an aggregate of about a billion and a half dollars worth of assessed property value over a three-year period and I understand the scale of the decision is large.

So that doesn't lead me to want to be able to just go "I'd rather take no action because I don't want to wear this one on my shoulders." I don't have a problem

can't we do as a board?

MS. BUONCRISTIANI: I think if you look at your writ of mandate, I agree with what Dennis was saying in that it leaves it pretty open as to what you can do. I'm not sure, and I couldn't tell you that I agree with Ms. Fulstone in terms of you are limited to what the Supreme Court has said in Bakst or Barta. Because you have the opportunity. This is very similar properties, but these, this is a hearing where you're taking information. And for you to ignore information that you take or that you could take there wouldn't be a purpose to the hearing. Does that answer your question?

MEMBER JOHNSON: It does. When I look at the writ I see we can take actions as it required to modify the values for equalization. So I read that the same way you do. What I struggle with is its equalization is a two-prong approach and here we do have methods of appraisal we use that are deemed to be unconstitutional. But in changing that, the level of assessment also has to be what's required by law.

And what I struggle with is I think Ms. Fulstone would have raised the issue that if the current values exceeded, current taxable values exceeded market they would be raising that issue before us and we would hear all about it. So therefore, I'm led to believe that in the current condition taxable value is not exceeding market value. And

appropriate correct action to make sure that we ensure that this is 100 percent correctly done with constitutional methods and at the same time equalizing across the area of Incline Village and Crystal Bay. The motion would be to Washoe County assessor's office to reappraise all properties for the 03-04, 05-06 and 0 -- I'm sorry. 03-04, 04-05 and 05-06 to reappraise all properties in those three tax years that were unconstitutionally appraised or identified as unconstitutionally appraised and to determine the new taxable value. And in the event that any of those valuations increase, to assure that we comply with NRS 363.395(2).

And I would also include in my motion that they use all necessary means to accomplish this goal. And I'm assuming that that's going to cost them some money. But I'm sure it's far better than a 1.5 billion dollar property tax drop. So they're going to need to go figure out within their coffers and their budgets on how to accomplish that goal.

But I think it's appropriate that that not be an excuse to be able to not do it and that they may need some technological assistance and also maybe some people assistance in order to go do this. And I don't have a time frame because I have no idea how complicated that is. So I would look to you for a time frame in which we would like this done.

MEMBER MESERVY: I'll second that long motion.

CHAIRMAN WREN: Ben.

MEMBER JOHNSON: The only part that I don't know if it's possible to augment the motion is we need to deal with the level of assessment required by law. So what we're going to have here in the end is we'll have values that are using the methodologies required by law, but we have no way then to determine if those new values are at the level of assessment required by law.

So I would like to augment it and ask that based on whatever the results are from the Washoe County assessor's office that Terry prepare a sales ratio study on those to determine if they're at the level of assessment required by law.

CHAIRMAN WREN: Would you include that in your motion?

MEMBER MARNELL: I don't have a problem with that.

MEMBER MESERVY: And I'll second that addition.

CHAIRMAN WREN: Okay. Any other comments?

MEMBER MARNELL: Mr. Chairman, do you have a time frame that you think that this should be done by? Maybe in the next decade.

CHAIRMAN WREN: Yeah, that's kind of what I was thinking.

MS. BUONCRISTIANI: That was the statement that I

was going to make after you finished your motion is that I have a response to make to the court by somewhere around mid-February. But I could ask for an extension based on what you're proposing to do.

MEMBER MARNELL: I really don't know if you want to open it back up for testimony to hear what Mr. Wilson would like to say or not or maybe you just have a good feeling, Mr. Chairman, on how long this will take.

CHAIRMAN WREN: You know, I don't. It would be a guess on my part and it would appear to be a guess on his part also. I think it would be reasonable to say to have it accomplished within the next 12 months. I'm not sure that it needs to be done any sooner than that. It is going to be somewhat complicated. I think that the Court will be answered by our decisions that we make. What the final action is really doesn't matter as far as the coming court dates. So I would say that we have everything accomplished within a 12-month period.

And I'll also state that if it gets to a point where the assessor requires more time then he can come -- he can ask us for it.

MEMBER JOHNSON: I just want to speak to that briefly. On page number 16 of Mr. Creekman's response, he indicates that the assessor's office could reappraise the properties at issue -- Where does he say it? He says -- It's



the first paragraph on that page. But based on this it seems to indicate that Washoe County would be able to accomplish it. They would want, need a little bit of time but that they could do it.

MEMBER MARNELL: Yeah. I think within six months to one year is fair, appropriate and -- So I think we should leave it, Mr. Chairman, and six months to no later than one year.

CHAIRMAN WREN: Okay. Very good. Dennis, do you agree with that in your second?

MEMBER MESERVY: I second that too, the addition.

CHAIRMAN WREN: Okay. All right. I have a motion and second. Any other comments? Okay. All in favor say aye.

(The vote was unanimously in favor of the motion)

CHAIRMAN WREN: Opposed? Okay. It carries unanimously. All right. Thank you very much, members.

Okay. Terry.

MS. RUBALD: Mr. Chairman, that takes us to Item D, possible action statewide equalization.

MEMBER MARNELL: Mr. Chairman, I would throw my comments in. I think I've already said this in the prior comments, but I did not see any evidence whatsoever anywhere in any of the testimony since I've been on this board that requires any statewide action of equalization. I don't think

# EXHIBIT 3

**FILED**

Electronically





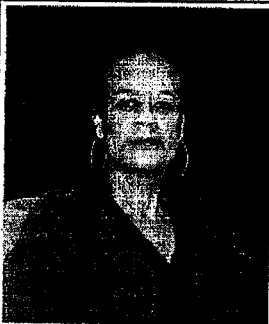

02-21-2013:08:43:37 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3547722

# EXHIBIT 3

 <b>Appeal Form</b>	
<b>AGENT AUTHORIZATION FORM</b>	
<p>If you have already completed the Agent Authorization form on one of the appeal forms, you do not need to complete this form. If you decide to have someone represent you after you have already submitted the appeal form, you may still appoint an agent to represent you if you first notify the State Board by using the Agent Authorization form. Please download, fill out and sign this form.</p>	
 <b>Agent Authorization Form</b>	
<b>WITHDRAWAL FORM</b>	
<p>If you would like to withdraw your appeal, please fill out the form below and return it to the State Board of Equalization either by fax or mail.</p>	
 <b>Withdrawal Form</b>	
<b>Board Dates</b>	
There are no details at this time.	
<b>AGENDA</b>	
Details of the next meeting of the State Board of Equalization can be located <a href="#">here</a> , along with the most current agenda, if available.	
<b>MEMBERS</b>	
 <p><b>Chairman Anthony (Tony) Wren</b></p>	<p>Mr. Anthony (Tony) Wren is an independent fee appraiser with 32 years of experience. He has been in the Reno/Sparks area for over 24 years. A native of Wyoming, Mr. Wren relocated to Reno/Sparks in 1984. At that time, he had just earned the SRA-Senior Residential Appraiser designation from the Society of Real Estate Appraisers. In 1987, he received the SRPA-Senior Real Property Appraiser designation. In 1991, he received the MAI designation from the Appraisal Institute.</p> <p>Mr. Wren has been active in the Reno-Carson-Tahoe Chapter of the Appraisal Institute. He served as a member of the Board of Directors for the chapter and served as its president in 1988 and 1989 and 2000. He has served on several national committees of the Appraisal Institute including the Faculty committee and was a national reviewer for several courses. Mr. Wren teaches real estate appraisal courses and is also a real estate broker. He has taught the Principles course and the Income Valuation course at Truckee Meadows Community College. He has also instructed Standards and Ethics, as well as Principles and Procedures and other courses and seminars, for the Appraisal Institute.</p> <p>Mr. Wren is a nationally Certified USPAP (Uniform Standards of Professional Appraisal Practice) instructor. He was instrumental in the writing of the appraiser licensing/certification law for Nevada. He has been appointed twice by the Governor of Nevada to serve on the Nevada Commission of Appraisers (9/94 to 6/97) and (7/97 to 6/00) and served twice as President of that Commission. Mr. Wren was appointed to the Nevada State Board of Equalization by Governor Jim Gibbons (3/08 to 3/12).</p>
 <p><b>Aileen Martin</b></p>	<p><b>Ms. Aileen Martin</b> - biography forthcoming</p>
	<p><b>Mr. Dennis K. Meservy</b> is a Certified Public Accountant (CPA) in Las Vegas. He owns and operates his own CPA firm. He is a member of the American Institute of CPAs and is a past-Chairman of the Nevada Society of CPAs.</p>

# EXHIBIT 4

**FILED**

Electronically

02-21-2013:08:43:37 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3547722

# EXHIBIT 4

**QUALIFICATIONS OF APPRAISER  
BENJAMIN Q. JOHNSON**

**Professional Designations**

MAI – Member Appraisal Institute 2009

**State Licensing and Certification**

Certified General Appraiser – State of California  
License Number AG043925  
(Certified through April 29, 2014)

Certified General Appraiser – State of Nevada  
License Number A.0205542-CG  
(Certified through November 30, 2014)

**Professional Experience**

Johnson-Perkins & Associates, Inc. 2005-Present

General Electric 2002-2004  
Finance Intern (Summers Only)

**Formal Education**

Santa Clara University – Santa Clara, CA 2005  
Bachelor of Science in Commerce; Majoring in Economics

**Qualified as an Expert Witness**

Nevada District Courts  
U.S. Bankruptcy Court – District of Nevada  
Washoe County Board of Equalization  
Nevada State Board of Equalization

**Offices Held**

Reno-Carson-Tahoe Chapter of the Appraisal Institute  
Director 2011  
Secretary 2012  
Vice President 2013  
President (elect) 2014

**Association Memberships and Affiliations**

Nevada State Board of Equalization – Board Member 2012-Present  
(Appointed by Nevada Governor Brian Sandoval)  
Leadership Development and Advisory Council (LDAC) 2010  
Executives Association of Reno (EAR) 2009 - 2012

**QUALIFICATIONS OF APPRAISER  
BENJAMIN Q. JOHNSON (contd.)**




**Appraisal Education**

Appraisal Institute

Basic Appraisal Principles	2006
Basic Appraisal Procedures	2006
15 Hour National USPAP Course	2006
Business Practices and Ethics	2007
Advanced Income Capitalization	2007
General Market Analysis and Highest & Best Use	2007
Advanced Sales Comparison & Cost Approaches	2007
Report Writing and Valuation Analysis	2007
Advanced Applications	2007
7 Hour National USPAP Update Course	2011

Kaplan Professional Schools

Nevada Appraisal Law	2006
7 Hour National USPAP Update Course	2008

 <p><b>Dennis K. Meservy</b></p>	
 <p><b>Anthony Marnell, III</b></p>	<p><b>Mr. Anthony Marnell, III</b> is the Founder, Chairman and Chief Executive Officer of M Resort Spa Casino. Born and raised in Las Vegas, Anthony earned his Bachelor of Science degree in Hospitality Administration at the University of Nevada Las Vegas. He began his career in the gaming industry in 1995 and held the position of Corporate Vice President of Marketing for the Rio All-Suite Hotel Casino and served as a Corporate Vice President of Marketing for Harrah's Entertainment, Inc. until 1999.</p> <p>He is also acting Chairman of Saddle West Investors, LLC and Chief Executive Officer of Aces High Management, LLC and the Founder and Chairman of TRIRIGA, Inc., the global leader in the Integrated Workplace Management System market.</p> <p>Anthony also enjoys serving on the board of the following organizations:</p> <ul style="list-style-type: none"> <li>Board Member of the Marnell Foundation</li> <li>Board Member of Marnell Corrao Associates</li> <li>Board Member of Tuscany Research Institute</li> <li>Board Member of the Henderson Boys and Girls Club</li> </ul> <p>Anthony lives in Las Vegas with his wife Lyndy and their three beautiful children.</p>
 <p><b>Benjamin Q. Johnson</b></p>	<p><b>Mr. Benjamin Q. Johnson</b> is an Independent fee appraiser. He is a fourth generation Nevadan and lifelong resident of Lake Tahoe. He earned the MAI designation from the Appraisal Institute, becoming the youngest in the organizations history to earn its highest designation. Ben has served in various leadership roles for the Reno-Carson-Tahoe Chapter of the Appraisal Institute. He currently serves as the chapter's Vice President.</p> <p>Ben graduated from Santa Clara University with a bachelor's degree in commerce majoring in economics. Community endeavors include having served as a "Big" for Big Brothers/Big Sisters of Northern Nevada and various leadership roles with Lake Tahoe Track Club and AD Sports Tahoe. Ben lives in Zephyr Cove with his fiancée, Cathy.</p>

**CONTACT US:**

Nevada Department of Taxation  
Division of Local Government Services  
1550 College Parkway, Suite 115  
Carson City, Nevada 89706  
(775) 684-2100 Fax: (775) 684-2020

State Agency Online Privacy Policy

# EXHIBIT 5

**FILED**

Electronically

02-21-2013:08:43:37 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3547722

# EXHIBIT 5



rely to support the claim that a change in the taxable value or classification of subject property is necessary. 2) A copy of the tax assessment notice for the tax year in question, if applicable. 3) a copy of any evidence upon which the petition is based currently in your possession. Evidence not yet available may be sent to the State Board no later than 15 days prior to the scheduled hearing.

You may appeal your case directly to State Board of Equalization if your issue fits one of the descriptions below:

- NRS 361.360(1); NRS 361.400(2): Failure of County Board to equalize; undervaluation or nonassessment of other property. *(Appeal must be received on or before March 10)*
- NRS 361.360(3): Real or personal property placed on unsecured tax roll after December 15; appeal could not be heard by County Board of equalization. *(Appeal must be received on or before May 15)*
- NRS 361.403: Undervaluation, overvaluation or nonassessment of property by Nevada Tax Commission. *(Appeal must be received on or before January 15)*
- NRS 361A.240(2)(b): Under-or-over valuation of open-space use assessment. *(Appeal must be received on or before March 10)*
- NRS 361A.273(2): Determination that agricultural property has been converted to a higher use; valuations for deferred tax years; Notice of conversion from assessor received after December 16 and before July 1. *(Appeal must be received on or before July 15)*
- NRS 362.135: Net Proceeds of Minerals Tax certification. *(Appeal must be filed within 30 days after certification is sent to taxpayer [usually about May 20])*

#### Assessor/Department Direct Appeal Form

This appeal form is for use ONLY by Assessors or the Department of Taxation for the following reasons:



- NRS 361.360(1): Aggrieved at the action of the County Board in equalizing or failing to equalize.
- NRS 361.395(1): Request for equalization of neighborhood or market area.
- NRS 361.403: Centrally assessed property.
- NRS 361.769(3)(b): Property escaping taxation.
- NRS 361A.240(2)(b): Under-or-over valuation of open-space use assessment.
- NRS 362.135: Net Proceeds of Minerals Tax certification.

#### Agent Authorization Form

If you have already completed the Agent Authorization form on one of the appeal forms, you do not need to complete this form. If you decide to have someone represent you after you have already submitted the appeal form, you may still appoint an agent to represent you if you first notify the State Board by using the Agent Authorization form. Please download, fill out and sign this form.



#### Withdrawal Form

If you would like to withdraw your appeal, please fill out the form below and return it to the State Board of Equalization either by fax or mail.



#### AGENDA

[To Top ^](#)

Details of the next meeting of the State Board of Equalization can be found on the Departments Public Meetings page, along with the most current agenda, if available.

#### MEMBERS OF THE STATE BOARD OF EQUALIZATION

[To Top ^](#)



**Mr. Anthony (Tony) Wren - Chairman**  
*Term: March, 2008 - March, 2012*

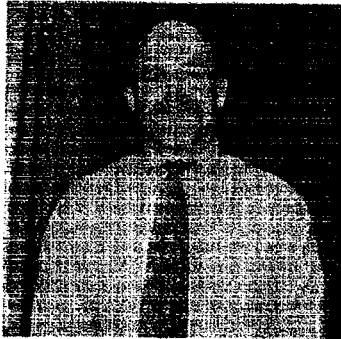
Mr. Anthony (Tony) Wren is an independent fee appraiser with 32 years of experience. He has been in the Reno/Sparks area for over 24 years. A native of Wyoming, Mr. Wren relocated to Reno/Sparks in 1984. At that time, he had just earned the SRA-Senior Residential Appraiser designation from the Society of Real Estate Appraisers. In 1987, he received the SRPA-Senior Real Property Appraiser designation. In 1991, he received the MAI designation from the Appraisal Institute.

Mr. Wren has been active in the Reno-Carson-Tahoe Chapter of the Appraisal Institute. He served as a member of the Board of Directors for the chapter and served as its president in 1988 and 1989 and 2000. He has served on several national committees of the Appraisal Institute including the Faculty committee and was a national reviewer for several courses. Mr. Wren teaches real estate appraisal courses and is also a real estate broker. He has taught the Principles course and the Income Valuation course at Truckee Meadows Community College. He has also instructed Standards and Ethics, as well as Principles and Procedures and other courses

and seminars, for the Appraisal Institute.

Mr. Wren is a nationally Certified USPAP (Uniform Standards of Professional Appraisal Practice) instructor. He was instrumental in the writing of the appraiser licensing/certification law for Nevada. He has been appointed twice by the Governor of Nevada to serve on the Nevada Commission of Appraisers (9/94 to 6/97) and (7/97 to 6/00) and served twice as President of that Commission. Mr. Wren was appointed to the Nevada State Board of Equalization by Governor Jim Gibbons (3/08 to 3/12).

---



**Mr. James Russell (Russ) Hofland**

*Term: October, 2008 - September, 2012*

Mr. James Russell Hofland earned his Bachelor of Science degree in Agricultural Business at Montana State University in 1987 and his Masters in Business Administration at the University of Nevada Reno in 2003.

Mr. Hofland has been a Nevada resident since June 1998. He was formerly a licensed insurance agent and certified general real estate appraiser in the State of Montana.

Mr. Hofland has seven years experience in mine accounting with Barrick Gold and is currently Project Manager – Accounting for the North American Region. He was previously Accounting Supervisor for Nevada dealing with capital, royalties, net proceeds and property taxes and also Senior Accountant for

Barrick Goldstrike Mines Inc.

Mr. Hofland has eleven years experience in the Farm Credit System; three years as branch manager in Elko, Nevada, and eight years in various positions in Montana including three years as Senior Appraiser.

Mr. Hofland served three years as Vice President and Agricultural Loan Officer for Stockman Bank in the Commercial Banking field.

---



**Ms. Aileen Martin**

*Term: November, 2008 - October, 2011*

Ms. Aileen Martin's biography is forthcoming.

---



**Mr. Dennis K. Meservy**

*Term: March, 2009 - October, 2011*

Mr. Dennis K. Meservy is a Certified Public Accountant (CPA) in Las Vegas. He owns and operates his own CPA firm. He is a member of the American Institute of CPAs and is a past-Chairman of the Nevada Society of CPAs.

**Mr. Anthony Marnell, III*****Term: March, 2009 - March, 2013***

Mr. Anthony Marnell, III Anthony is the Founder, Chairman and Chief Executive Officer of M Resort Spa Casino. Born and raised in Las Vegas, Anthony earned his Bachelor of Science degree in Hospitality Administration at the University of Nevada Las Vegas. He began his career in the gaming industry in 1995 and held the position of Corporate Vice President of Marketing for the Rio All-Suite Hotel Casino and served as a Corporate Vice President of Marketing for Harrah's Entertainment, Inc. until 1999.

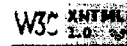
He is also acting Chairman of Saddle West Investors, LLC and Chief Executive Officer of Aces High Management, LLC and the Founder and Chairman of TRIRIGA, Inc., the global leader in the Integrated Workplace Management System market.

Anthony also enjoys serving on the board of The Marnell Foundation, Marnell Corrao Associates, Tuscany Research Institute, and The Henderson Boys and Girls Club.

Anthony lives in Las Vegas with his wife Lyndy and their three beautiful children.



[Home](#) | [Contact Us](#) | [Site Map](#) | [DOAS Main](#) |  
[State Agency Online Privacy Policy](#)



1 **1020**  
2 **SNELL & WILMER L.L.P.**  
3 **Suellen Fulstone, No. 1615**  
4 **50 West Liberty Street, Suite 510**  
5 **Reno, Nevada 89501**  
6 **Telephone: (775) 785-5440**

7 **Attorneys for Petitioners**

8 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
9 **IN AND FOR THE COUNTY OF WASHOE**

10 **VILLAGE LEAGUE TO SAVE INCLINE** ) **Case No. CV03-06922**  
11 **ASSETS, INC., a Nevada non-profit** )  
12 **corporation, on behalf of their members and** ) **Dept. No. 7**  
13 **others similarly situated; MARYANNE** )  
14 **INGEMANSON, Trustee of the Larry D. and** )  
15 **Maryanne B. Ingemanson Trust; DEAN R.** )  
16 **INGEMANSON, individually and as Trustee** )  
17 **of the Dean R. Ingemanson; J. ROBERT** )  
18 **ANDERSON; and LES BARTA; on behalf of** )  
19 **themselves and others similarly situated;** )

20 **Petitioners,** )  
21 )  
22 )

23 **vs.** )  
24 )  
25 )

26 **STATE OF NEVADA on relation of the State** )  
27 **Board of Equalization; WASHOE COUNTY;** )  
28 **BILL BERRUM, Washoe County Treasurer,** )

**Respondents.** )  
\_\_\_\_\_)

**ADDENDUM TO OBJECTIONS TO**  
**STATE BOARD OF EQUALIZATION REPORT AND ORDER**

Attached is Exhibit 6 (2008-2009 Land Factor Report, Department of Taxation, Division of Assessment Standard) which was inadvertently omitted from the Objections to State Board and Equalization Report and Order filed with this court on February 22, 2013.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Respectfully submitted this 22nd day of February 2013.

SNELL & WILMER L.L.P.

/s/ Suellen Fulstone

By: \_\_\_\_\_

Suellen Fulstone, No. 1615  
50 West Liberty Street, Suite 510  
Reno, Nevada 89501

Attorneys for Petitioners

The undersigned affirms that this document does not contain the social security number of any person.

/s/ Suellen Fulstone

\_\_\_\_\_  
Suellen Fulstone

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that I am an employee of SNELL & WILMER L.L.P., and I served the foregoing document via the Court's e-flex filing system on the date and to the addressee(s) shown below:

Dawn Buoncristiani  
Office of the Attorney General  
100 North Carson St.  
Carson City, NV 89701

David Creekman  
Washoe County District Attorney's Office  
Civil Division  
P.O. Box 30083  
Reno, NV 89520

DATED this 22nd day of February, 2013.

/s/ Holly W. Longe

Employee of Snell & Wilmer L.L.P.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Title of Exhibit</u>	<u>No. of Pages</u>
6.	2008-2009 Land Factor Report, Department of Taxation, Division of Assessment Standard	3

# EXHIBIT 6

**FILED**

Electronically

02-22-2013:11:25:03 AM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3548767

# EXHIBIT 6





DEPARTMENT OF TAXATION

Division of Assessment Standards

---

# 2008-2009 Land Factor Report

## Table of Contents

	Page
Executive Summary	3
Statewide Summary	7
Douglas County	8
Eureka County	12
Lander County	15
Lyon County	19
Storey County	21
Washoe County	23
Appendix	27
Douglas County Analysis	28
Eureka County Analysis	29
Lander County Analysis	30
Lyon County Analysis	34
Storey County Analysis	45
Washoe County Analysis	53

## **Douglas County Land Factors**

### **Note 1**

**Portion of Book 1220-08, 09, & 17 (described as Montana at Genoa Lakes Golf Resort):**  
The Assessor developed a factor of 1.20 using an abstraction methodology to derive a value for land. Using 13 improved sales, the Assessor found the factor resulted in a median ratio of 32.4%, with a lower confidence interval of 22.1% and an upper confidence level of 29.8%, which suggests that the true median may or may not be within the statutory range. The COD is 17.3% which is within IAAO guidelines. While the median ratio is within statutory guidelines, reappraisal of the described area is preferred over factoring since there is no consensus model in existence for the application of the alternative methodologies (abstraction or allocation) in the absence of a sufficient vacant land sale analysis.

THE TAX COMMISSION VOTED TO ACCEPT THE LAND FACTOR RECOMMENDED BY ASSESSOR.

	65:12;76:9;80:14	Again (26)	analyses (1)	57:22,25;58:1;71:25
\$	acted (1)	3:22;9:23;15:11;	12:25	appraisals (1)
\$105,000 (1)	81:8	18:21;20:11,17;	analysis (23)	23:12
10:18	action (9)	38:17;39:9;40:9;	9:19;10:3,3,5,6,13,	appraise (1)
\$5,000 (1)	23:3;52:17;61:22;	43:7;44:9,13;49:6,	20:13;13:15;18:16;3;	10:5
10:20	62:2;63:8;76:7;	10:52;4:55;1:56;18,	18:6;9:19;3,13;20:9;	appraised (5)
	78:20;79:25;80:5	20:60;23:61;11:63;2;	21:3;23:21;27:7,17,	11:18;20:23;74:2;
A	actions (5)	67:5;68:10,11;75:9;	18:50;23:52;16:56;3	76:14,15
	46:15;71:22;72:14;	76:3	analyze (6)	appraiser (6)
ability (5)	80:9;81:2	against (3)	10:22;15:25;19:1,	8:4;9:16;59:1,2,2;
28:19;52:7;72:21,	actual (3)	49:10;64:11,12	15,20;20:14	62:20
22:73;10	7:17;34:9;45:13	agenda (2)	analyzing (2)	appraisers (2)
able (3)	actually (9)	4:11;5:16	7:20;13:8	23:12;34:17
63:7;76:25;79:7	4:14;6:24;8:14;	aggregate (1)	and/or (3)	appraiser's (1)
abolished (1)	13:19;32:19;33:11;	63:3	8:12;10:3;62:3	18:1
32:25	38:1;69:11;70:13	ago (1)	Anita (1)	appraising (2)
above (1)	addition (2)	47:9	3:19	9:25;29:3
15:4	77:23;79:16	agony (2)	annually (1)	appreciate (2)
absence (1)	additional (2)	57:5,18	16:18	70:17;71:2
35:19	24:10;28:8	agree (21)	answered (1)	approach (6)
absolute (2)	address (6)	10:6;26:2;38:3;	78:19	10:5;15:16;24:19;
65:3;73:5	13:19;28:11;42:21;	51:10;53:23;58:11;	Anthony (11)	62:22;65:21;71:25
Absolutely (3)	49:17;56:9,11	61:23;62:17,19;	3:9,10;40:3;58:8;	appropriate (12)
18:4;44:14,14	addressed (4)	65:15,19,20,24;67:8;	59:14;65:24;66:6;	15:24;19:12;27:14;
accept (1)	34:7;57:22;64:7;	71:12,14;75:7,9;	72:17;75:12,14;	37:12;39:4;62:2;
58:6	80:19	79:15;80:21,24	80:21	65:10;74:3;76:7,24;
acceptable (2)	adjourned (1)	agreed (1)	Anthony's (1)	79:11;80:9
12:1,6	81:22	38:2	66:10	appropriated (1)
acceptance (1)	adjust (3)	ahead (1)	anymore (1)	15:13
41:11	10:9;29:11;53:8	35:7	58:6	approve (1)
accepted (4)	adjusted (1)	Aileen (6)	apologies (1)	11:15
9:20;19:4;32:25;	7:17	3:7,8;12:14;39:25;	12:19	approved (14)
41:9	adjusting (1)	70:22,25	apologize (2)	6:15;12:8;14:3;
access (2)	8:12	alleging (1)	40:4;57:17	17:1,23;18:17;21:5;
14:19;15:10	adjustment (4)	48:20	apparently (1)	29:17;31:16,18;37:4;
accident (1)	11:2,2;18:8;29:12	allocation (2)	30:5	41:11;50:11;73:9
64:6	adjustments (16)	35:20,21	appeal (1)	area (17)
accommodate (1)	10:2,2;11:7;15:19;	allow (1)	61:8	6:2,16;7:24;15:25;
28:3	16:2,3,9,11,12,12,13;	39:6	appealed (3)	18:21;21:22,23,25;
accommodation (1)	19:16,21;24:21;	allowable (1)	63:12,13,14	22:9,10,12,15;24:9;
41:12	30:20;31:7	52:18	appear (1)	27:1,9;35:13;76:9
accomplish (3)	administered (1)	allowed (1)	78:15	areas (8)
76:19,23;79:7	23:10	69:2	applauded (1)	15:14,16,17,18,22;
accomplished (3)	administrative (1)	alternative (5)	20:13	22:11,17;32:3
50:21;78:17,22	67:24	60:9;65:9;67:9;	applicable (1)	argument (1)
accordance (5)	admitted (1)	68:13,13	6:10	58:24
25:1;44:18,24;	56:10	alternatives (1)	application (3)	arguments (3)
54:18;80:17	adopted (12)	53:5	9:12;41:7;54:5	44:7;52:7;58:13
according (4)	18:7;34:3,5,14;	Although (1)	applied (4)	around (7)
4:7;23:18;43:13;	35:4;45:20,25;47:8,	13:19	8:21;33:7;34:4;	3:9;22:16,21;
74:22	11:52;11:57;12,14	always (7)	53:3	30:22;31:7;51:1;78:7
accordingly (1)	advance (1)	11:13;12:3;38:2;	applies (2)	arrive (2)
13:9	30:21	47:24;48:3,9;59:10	36:14;52:22	10:10;26:19
account (3)	affect (2)	among (3)	apply (7)	articulated (1)
13:1;17:9;19:10	19:2,9	25:7;47:15,17	37:4;47:21;48:25;	8:20
accurate (2)	affected (1)	amongst (1)	50:10;53:2,4;54:7	ascertain (1)
62:4;65:12	23:1	53:5	applying (1)	52:18
acknowledge (2)	affirmed (2)	amount (1)	31:16	aside (2)
18:25;31:24	49:21;57:3	26:20	appraisal (20)	55:6;57:2
acknowledged (2)	aforementioned (1)	ample (1)	9:20;10:8,11;15:8;	asserted (1)
20:11;30:13	81:2	38:20	19:4;25:1;27:6,7;	4:17
across (3)	afterwards (1)	amply (1)	29:2,4,5;32:20;44:19,	assessed (15)
	25:22	80:19	25:52;14:54;19;	7:20;14:16;15:3;

23:11;20;25:1;33:15; 44:18;24;46:22; 52:14;54:18;63:4; 74:7,15 assessing (2) 9:25;17:8 assessment (44) 9:9;17:17;18:3; 23:22;24:4;5,9,11; 25:2,10,17;25:26;4,5; 7,19;29:2;33:15,17; 36:5,12;43:13;44:19; 25;45:4,9;47:17,22; 52:3,15;54:20,21,22; 23,24;55:4,25;56:2; 72:2,12,16;77:9,12, 17 assessments (1) 30:1 assessor (42) 5:17,25;7:4;9:25; 11:21;13:14;14:11, 22:15;5:17;25:19;14; 23:2;24:17;29:8; 30:11;31:10,19;32:6; 33:3;36:21,23;37:6, 21;38:10,13;39:2,4, 11;40:14;42:2;43:16; 50:17;51:2,55:14; 56:19,21;58:2,15; 59:9;73:25;74:8; 78:25 assessors (21) 10:21;12:23;13:1, 6;14:2;16:9;20:23; 23:17;24:20;27:7; 29:21;30:5,6,22,24; 31:7;34:20;51:7; 55:9;80:7,12 assessor's (12) 6:9;14:16;15:1,13, 14;16:17;27:9;28:18; 36:13;76:11;77:15; 79:4 assist (1) 23:19 assistance (2) 77:1,1 assistant (1) 5:3 associated (1) 7:8 assume (2) 7:7;13:7 assuming (2) 10:21;76:20 assure (2) 31:2;76:17 assuring (1) 29:22 attention (1) 34:23 attorney (3)	4:24;51:14;57:10 attribute (2) 18:10,12 attributes (3) 13:9;17:11;19:9 audience (1) 22:2 audit (14) 14:1,3,6,9,10,24; 16:6,15,16,20,25; 23:15;24:16;30:4 audits (3) 16:22;23:16;31:3 augment (2) 77:8,14 August (1) 57:12 authority (2) 46:15;47:20 authorize (1) 18:14 authorizing (1) 35:12 available (1) 15:22 aware (1) 32:6 away (1) 37:21 awful (1) 17:14 aye (1) 79:19	19:3;29:5,19;30:1; 42:23;53:8;55:1; 60:2,4;63:10,16; 65:19,20;67:3,3,4; 72:14;76:3;77:14; 78:8;79:6;81:1 baseline (2) 15:19;50:2 Basically (5) 13:25;21:24;53:20; 68:19;69:23 basin (2) 17:9;22:18 basis (14) 8:24;10:4,6;23:13; 29:14,22;31:15; 32:15,16;35:13; 49:22;50:6;58:13; 81:1 Bay (19) 5:19;6:2;18:4; 22:13;27:1,25;28:16, 23;29:7;30:12;32:1; 41:6;43:2;49:23; 50:9;55:12;62:5; 67:16;76:10 beach (1) 16:12 became (5) 30:8,10;48:6,13,17 become (1) 32:15 behalf (3) 27:23;50:16,18 belief (2) 14:5;52:21 below (2) 24:4;39:16 Ben (9) 3:6,7;5:10;12:18; 21:20;45:18;71:1; 77:6;80:23 best (6) 18:20,23;45:13,14; 59:12;60:1 better (4) 13:11,15;65:21; 76:21 beyond (2) 60:22;66:21 big (4) 7:14;27:18;42:16; 61:5 billion (4) 63:3;70:10;72:10; 76:21 bit (4) 25:22;49:18;71:6; 79:8 Board (90) 3:4,13;5:20;7:1; 8:16,17;12:20;20:19; 28:13;30:22;31:12;	32:23,23;33:5,9,11; 34:3;35:10,12,13; 36:3,6,14,17,21;37:2, 10,13,17;39:23,24; 43:8,21;44:9;46:4,5, 12,14,17,22,22;47:3, 8,8,24,25,25;48:2,2,3, 3,10,12,13,17;49:20, 22,25;50:10,15,19, 21;51:6,13;52:16,24; 53:4,9;54:7;55:8,11; 56:7;57:1,1,19; 59:19;62:18;63:17; 64:13;65:12;70:17; 71:10;73:13;74:14, 19;76:6;80:4;81:5,6, 15 board's (3) 28:20;32:13;51:24 bodies (1) 48:17 boom (1) 20:25 borrowing (1) 29:3 both (7) 20:25;44:7;51:14; 52:19;57:23;65:20; 66:8 boxes (2) 4:15,19 break (1) 33:20 brief (4) 56:6,6;61:13;76:4 briefing (2) 81:15,16 briefly (2) 56:6;79:3 bring (3) 7:23;34:23;40:15 brings (1) 81:14 brought (3) 55:12;58:15;80:11 browser (1) 35:3 budgets (1) 76:23 bulk (1) 23:7 Buonerisiani (21) 3:14;4:3,6;5:3; 26:13;44:6,15,23; 45:4,24;46:8,11;48:1, 7,11,16;71:11;75:21; 76:1,78:5,81:3 Bureau (1) 16:23 business (1) 3:13	C calculated (1) 15:2 call (9) 4:11;10:12;11:1; 35:1;70:11,12,14,14, 15 called (3) 19:20;47:25;48:2 came (3) 9:8;46:21;51:1 camp (1) 72:20 can (51) 3:24,25;4:2,18; 6:17;7:15;13:24; 18:8,9;19:15;26:1; 27:12;30:17,20; 33:19;34:8,21,25; 40:15;41:3,24;44:8; 45:5;48:1,4;49:17; 53:6,6,6,7,8,8;58:18; 59:12;60:1;62:20; 64:17;66:1,12,25; 67:11,11;71:7,9,13, 22;74:19,25;75:14; 78:25;79:1 capacity (1) 60:22 capture (1) 14:18 care (1) 66:7 carries (1) 79:21 Carson (1) 3:6 case (22) 4:19,24;5:1,4;9:6, 17;17:3;19:11;22:1; 30:18;36:15;51:3,3, 6;55:11;57:22;62:7; 66:3;67:25,25;75:19, 23 cases (14) 5:4,5;31:15,23; 33:13;35:17;46:1,17, 17;47:4;61:7,7,7; 66:1 cash (9) 36:9;39:16;56:23, 25;58:16,25;59:4; 61:10;70:7 category (2) 35:21,22 cause (1) 72:11 caused (1) 37:15 cautious (1) 73:15
--	---	--	--	--

CD (1) 4:21	16:10	20:24;63:3	concluded (4) 9:11;62:3,3;81:23	continue (2) 80:10,13
century (1) 48:13	characteristics (1) 19:22	comfortable (2) 67:2;73:20	conclusion (2) 9:5;63:16	contributory (1) 18:25
certain (4) 11:14;18:10;32:18, 24	charged (1) 9:25	coming (3) 44:2;72:8;78:21	conclusive (1) 62:11	control (1) 14:19
Certainly (9) 4:12;13:7,18; 20:25;30:18;31:21; 34:19;56:16;73:12	charts (1) 32:21	comment (4) 4:9;57:5;67:8; 81:21	concur (2) 52:15;64:22	controls (4) 14:16,18;15:9,10
Chair (3) 3:5,17;50:14	check (1) 14:19	comments (12) 4:8;12:10;16:15; 60:2;64:19;65:25; 70:22,23;77:24; 79:18;80:2,3	concurrence (1) 76:6	convenience (1) 4:21
CHAIRMAN (116) 3:3,12,21;4:7,12; 5:9,13,22,24;7:10,13, 25;8:3;9:15,22; 10:12;11:1,6,9,12,20; 12:12,14,16,18; 19:13,19,24;20:4,20; 21:7,13,19;22:1,20, 23,24,25;23:5;25:20; 26:12;27:21;28:5; 33:20,23;34:8,12,16, 21,24;35:5;38:1,11, 18;39:14,25;40:3,4, 11,22,24;42:9;43:20; 44:5;45:8,18;47:12; 13:49;14:50;12; 53:13,24;54:1,2; 55:18,20;56:4,5;57:4, 17;58:4;59:16;63:18, 21,25;65:24;67:7; 70:21,23,25;73:1,2, 22;74:12,24;75:7,12, 17;76:2;77:6,19,24, 25;78:3,13,14;79:12, 14,17,21,24;80:1,15; 81:11,14,19	chief (2) 3:18;23:8	Commission (21) 6:16;9:14,21; 11:24;12:9;14:3; 17:16;19:8;23:19; 29:17;30:25;31:17, 18;41:12;47:20; 48:11,14,16;50:11; 53:7;67:2	condition (1) 72:7	convicting (1) 61:19
	chime (1) 74:19	committed (1) 38:10	conduct (2) 3:13;52:17	coordinator (1) 3:19
	choose (1) 53:6	comparable (10) 13:8;19:3;29:5,9, 12,13;30:15;31:1; 35:19,19	conducted (4) 20:17;21:3;24:16; 35:10	corrected (1) 26:14
	chose (1) 53:15	compare (2) 27:8;30:3	confirm (1) 40:9	correctly (4) 17:21,23;20:12; 76:8
	Christy (1) 3:22	compared (3) 15:19;42:1;52:19	confirmation (1) 5:6	corresponding (1) 7:5
	circling (1) 51:1	compares (1) 27:7	confirming (1) 73:16	cost (2) 35:22;76:20
	circumstances (1) 31:1	comparison (1) 15:16	conformance (1) 72:12	costing (1) 25:6
	City (1) 3:6	comparisons (1) 17:10	confuse (1) 51:17	costs (1) 45:15
	clarification (2) 19:7;42:19	compile (1) 6:1	confused (2) 40:5;41:3	Council (1) 16:23
	clarify (3) 21:14;26:13;35:8	complete (3) 4:15;5:8;18:15	consequence (1) 37:23	Counsel (3) 3:14;43:20;76:5
	class (1) 55:25	completely (2) 64:22;68:20	consider (4) 16:5;18:3;42:20; 66:15	count (1) 33:1
	classification (2) 20:9,13	compliance (1) 72:16	consideration (1) 57:10	counties (3) 13:7;47:17;55:16
	classified (1) 14:14	complicated (3) 59:20;77:3;78:19	considered (4) 19:12,21;35:17; 49:5	County (68) 5:17,25;7:24; 11:22;12:3;14:2,9,15, 20,22;16:6;17:3,18; 19:16;20:12;21:17; 22:11,13,23;2:13,16; 24:3,11,14;26:7,9,23, 24;28:24;30:5,6,11; 31:10,19;32:23,23; 33:3,5,11;35:12,13; 37:13;38:12,25; 41:16;49:20;50:17, 19,19,20,25;51:2,7; 52:19;56:12;58:2; 61:5,13;62:5;68:3; 70:2;72:10;73:9; 74:16;75:23;76:10; 77:15;79:7
	clear (9) 48:24;56:12;59:17, 23;60:6,8,12,19; 67:14	comply (4) 17:13;74:16,22; 76:17	considers (2) 11:16;45:23	County's (3) 15:7;53:11;59:22
	clearly (5) 8:23;9:2;19:10; 52:23;62:16	computerized (1) 15:7	consistently (1) 20:14	couple (5) 47:9;59:5;67:11; 72:13;74:4
	close (5) 11:18;50:4;51:1; 58:5,5	concern (11) 8:9;11:13;36:7,7; 40:16;43:9,9,19; 58:9;67:21;70:1	consists (1) 25:5	course (1) 20:16
	closed (2) 58:7;68:14	concerned (4) 40:13;43:23;44:4; 50:22	constitution (2) 36:4;52:5	Court (68) 5:5;6:4;8:19;9:11; 11:15;25:14;28:17,
	closely (1) 21:9	concerns (2) 65:25;69:21	constitutional (16) 12:22;20:6;28:21; 29:22;32:14;33:14, 15;36:11;42:22; 43:12,15;54:10;61:1; 69:21;70:3;76:8	
	closer (1) 46:13		constitution's (1) 52:2	
	code (1) 14:15		contain (2) 23:24;51:17	
	codified (5) 9:21,24,24;17:21; 59:7		contained (3) 6:6,23;14:9	
	coffers (1) 76:23		contested (3) 32:9;46:17,17	
	column (1) 6:11		context (1) 31:20	
	com (1) 20:25			
	combination (2)			
challenge (1) 32:9				
challenged (4) 31:21;39:7;41:6,7				
challenges (2) 32:24,24				
challenging (2) 31:22;41:1				
chance (2) 33:23;59:15				
change (12) 6:19,20;14:19; 15:10;21:15;32:12; 41:15,15;42:15;60:5; 63:2;65:17				
changed (5) 17:11;57:24;58:1; 64:8;69:3				
changes (5) 11:13;20:22;22:6; 52:8;68:24				
changing (3) 69:8,10;72:1				
characteristic (1)				

22:29;15;24;30;23; 31:8;32:14;35;25; 36:16;25;37:1;7;38;7; 24;25;39:5;41;20; 42:9;24;43;7;13;17; 49:9;50;8;51;3;4; 54:11;12;55:1;56;19; 57:2;3;3;23;58;3; 59:24;60:13;20;24; 61:3;7;62:9;17;19; 63:15;65:7;66;6;10; 11;16;67:10;25; 68:15;69:19;70;6; 71:9;15;75;22;78;7; 19;21;81;10	darn (1) 70:2 data (2) 15:2;65:12 database (1) 14:21 date (2) 48:4;52:10 dates (1) 78:21 David (1) 50:16 Dawn (12) 3:14;15;4;2;26;12; 35:6;22;44;5;45:19; 71:6;73:14;75:18; 80:25 day (1) 65:10 deal (4) 9:4;62:14;67:18; 77:8 dealing (4) 31:4;61:10;11; 75:19 dealt (1) 46:16 decade (1) 78:2 decades (1) 52:1 DECEMBER (2) 3:1;5 decide (2) 28:21;40:6 decided (6) 37:2;38:24;50:10; 59:22;63:15;67:17 decision (28) 9:3;11;32:6;13; 33:11;36:1;37:13; 39:23;41:2;42:23;25; 43:18;45:22;49:21; 23;24;53:16;56:20; 62:19;63:5;13;66:8; 9;68:2;5;69:23;70:8 decisions (10) 28:18;30:24;33:5; 46:18;54:13;55:1; 58:3;61:4;69:20; 78:20 decrease (1) 18:11 decreased (4) 32:19;22;33:5;6 deeds (3) 14:20;15:4;9 deem (2) 12:22;19:25 deemed (7) 6:3;9;19;17;6; 32:14;41:23;49:8; 72:1	deep (1) 59:20 defined (9) 15:14;23;24;24; 25:19;46:14;15; 51:12;18;54:17 defines (3) 51:15;52:2;55:23 defining (2) 15:15;51:24 definition (17) 10:4;34:2;35:24; 37:4;44:16;47:11; 51:10;18;21;22;52:7; 12;13;22;53:4;54:11; 15 definitions (1) 55:22 degree (1) 26:10 demonstrated (1) 9:2 demonstration (2) 9:4;5 Dennis (12) 3:8;11:11;42:9; 63:19;64:22;65:14; 24:67;9:68;12;71:12; 73:19;79:14 Department (8) 4:16;6:5;12:8; 13:11;17:15;20:11; 47:7;80:12 department's (1) 27:10 depreciation (2) 25:6;45:16 deputy (1) 51:14 derived (2) 7:20;24:7 described (1) 47:20 designed (2) 14:18;23:22 desk (1) 62:7 despite (1) 56:24 detail (2) 30:15;49:18 determine (7) 15:1;18:1;55:11; 56:21;76:15;77:12; 17 determined (10) 9:18;21:2;28:19; 29:8;25;32:12;17; 36:24;43:14;44:10 determines (1) 81:5 determining (1) 23:20	develop (1) 31:25 developed (6) 30:8;31:19;36:10; 39:11;43:2;47:7 developing (2) 12:3;29:10 development (1) 41:7 deviating (1) 70:12 difference (8) 6:19;21:7;16; 11:19;17:10;18:10; 20:10;27:10 differences (4) 10:23;11:7;19:16; 20:22 different (7) 13:4;20:5;7;21:11; 54:6;59:6;65:21 differential (1) 20:21 direct (3) 10:4;54:7;73:25 directed (2) 13:11;47:5 directing (1) 35:12 direction (8) 5:20;46:3;24;47:8; 64:14;65:14;66:24; 73:18 directly (2) 36:16;57:21 disagree (4) 64:22;66:14;69:18; 70:9 disagrees (1) 66:11 discussed (3) 14:14;15:5;71:4 discussing (1) 67:19 discussion (6) 41:10;60:8;8;61:2; 71:3;76:4 disk (2) 23:25;34:24 disks (1) 24:1 disparity (1) 7:14 district (3) 57:2;3;75:22 Division (4) 3:18;23:8;10;11 doable (1) 73:12 documentation (1) 15:17 documented (2) 14:13;15	documenting (1) 15:8 documents (1) 14:18 dollar (2) 70:10;76:21 dollars (6) 6:19;20;22;10;19; 63:4;72:10 done (26) 16:16;17:15;26:25; 31:3;33:12;36:19; 37:12;38:7;8;50:8;8; 56:8;57:25;58:1; 59:5;60:20;20;64:23; 66:22;67:8;70:16;19; 76:8;77:4;78:1,18 door (5) 10:16;17;18;67:21; 68:14 do-over (2) 39:3;6 do-overs (1) 60:15 dot (1) 20:25 doubt (2) 63:11;11 down (25) 3:9;22;11;2;18:19; 24;25;8;14;14;22;24; 26:3;33:4;16;37:13; 39:13;44:1;46:23; 49:1;53:8;60:18; 66:9;68:16;19;74:21; 75:2 downs (7) 18:12;20;19:1; 29:13;30:14;17;31:6 downtown (1) 18:21 dramatic (1) 21:15 dramatically (2) 8:6;7 drawn-out (1) 30:16 drive (2) 10:11;18:1 drop (1) 76:22 due (2) 20:22;59:18 during (8) 8:11;15:9;1;16:19; 21:9;38:21;44:11; 48:13 duties (1) 36:2 duty (3) 37:10;51:24;60:1
D				

<b>E</b>	<b>equality (2)</b> 36:6;43:8	38:13,19;42:15;54:8; 56:11;57:15;64:18; 65:10;66:14;69:1,7; 70:1;73:10	<b>explanation (1)</b> 10:15	<b>familiar (2)</b> 30:16;48:24
	<b>Equalization (63)</b> 3:4;8:16,17;23:2; 24:24;26:15,17; 27:15;32:23;33:13; 34:2,11,14,18;35:9, 10,11,24;36:3,7; 38:24;39:17,20,21; 40:18;43:5;44:8; 46:10,11;47:10,10, 15,17,19,25,25;48:2, 12;49:22;50:15,22; 52:8,25;54:5,11; 55:23;56:9;57:8; 61:5;68:23;69:6,17, 21;70:1;71:23,24; 79:25;80:5,22;81:6,6, 9,12	<b>event (2)</b> 32:10;76:16 <b>everybody (9)</b> 3:23;4:2;20:5; 33:23;58:10,20; 59:15;73:6;74:8 <b>evidence (15)</b> 18:7;38:20;49:3,4; 61:6,19,23;62:11; 63:10;68:5,7;76:3; 80:3,6;81:7 <b>evolved (1)</b> 73:11 <b>exact (1)</b> 48:4 <b>exactly (12)</b> 5:4;10:17;13:6; 19:6,24;29:3;35:16; 40:15;61:15;65:11; 66:10;75:19 <b>examining (1)</b> 51:7 <b>example (3)</b> 15:18;23:10;46:19 <b>exceed (3)</b> 36:9;58:25;59:3 <b>exceeded (4)</b> 9:9;72:5,5;74:9 <b>exceeding (5)</b> 8:25;48:21,23; 70:7;72:8 <b>exceeds (1)</b> 56:22 <b>except (1)</b> 10:17 <b>exception (3)</b> 10:14;39:13;45:13 <b>exceptions (4)</b> 14:24;15:11;16:4; 24:17 <b>excess (2)</b> 33:15,16 <b>excessive (5)</b> 8:24;9:2,12,18; 49:3 <b>excessively (1)</b> 39:16 <b>exclude (1)</b> 33:9 <b>excluding (1)</b> 37:12 <b>excuse (1)</b> 76:25 <b>existed (1)</b> 35:15 <b>existence (2)</b> 47:16,18 <b>explain (4)</b> 7:16;41:3;45:5,5	<b>explore (2)</b> 25:21;71:5 <b>extension (1)</b> 78:8 <b>extensively (1)</b> 30:8 <b>extent (6)</b> 30:20;32:22;47:3; 50:7;56:11;81:9 <b>extracted (1)</b> 15:24 <b>extraction (2)</b> 35:20,21	<b>far (4)</b> 50:21;60:22;76:21; 78:21 <b>favor (2)</b> 79:18,20 <b>feedback (1)</b> 64:22 <b>feel (6)</b> 12:5;59:25;67:2; 69:15;73:19;76:6 <b>feeling (1)</b> 78:12 <b>feels (2)</b> 65:3;73:13 <b>fellow (1)</b> 59:19 <b>felt (4)</b> 61:1,24;73:15; 80:25 <b>fence (1)</b> 62:21 <b>few (4)</b> 16:11;38:1;80:14, 21 <b>fiduciary (1)</b> 60:1 <b>Fifth (1)</b> 81:19 <b>fifths (1)</b> 22:12 <b>figure (1)</b> 76:22 <b>file (3)</b> 6:11;57:12;62:7 <b>filed (1)</b> 56:7 <b>files (2)</b> 6:7;7:3 <b>final (3)</b> 49:23;52:17;78:20 <b>Finally (2)</b> 16:2;24:22 <b>financially (1)</b> 62:14 <b>find (7)</b> 16:21;35:22;45:11; 52:6;62:1;72:15;81:9 <b>findings (2)</b> 14:23;30:17 <b>fine (2)</b> 35:5;70:17 <b>finished (1)</b> 78:6 <b>fireplace (3)</b> 10:18,19,20 <b>First (16)</b> 4:7,9,12;5:17;6:18; 12:22;28:3,7;34:3; 43:25;45:19;52:5; 53:18;59:18;73:3; 79:6
<b>F</b>				
	<b>Equalization's (1)</b> 43:9 <b>equalize (7)</b> 35:12,13;46:2,25; 47:5;51:24;54:11 <b>equalized (12)</b> 24:24;44:2,3,16, 17;47:4;49:20;51:15; 53:4;54:16;67:1,3 <b>equalizing (7)</b> 28:15;50:7;51:11; 52:12;66:20;76:9; 81:1 <b>equates (2)</b> 6:18,21 <b>equitable (2)</b> 40:18;58:20 <b>equitably (1)</b> 23:20 <b>era (1)</b> 64:3 <b>erred (1)</b> 57:1 <b>essentially (2)</b> 29:11;35:17 <b>establish (1)</b> 54:6 <b>established (5)</b> 31:9;32:7,22; 46:16;54:19 <b>estimate (1)</b> 18:10 <b>estimating (1)</b> 18:2 <b>estimation (1)</b> 50:22 <b>evaluate (1)</b> 15:12 <b>evaluated (1)</b> 15:23 <b>evaluation (1)</b> 55:24 <b>even (16)</b> 11:14;20:17;31:5;		<b>faced (1)</b> 53:5 <b>fact (9)</b> 12:2;20:13;31:24; 32:10;33:6;37:21; 52:22;70:11;74:8 <b>factor (32)</b> 6:15;7:19,22,22,23, 23;8:21;11:24;12:7; 21:2,12,22;31:12,16, 18,21,22,25;32:2,3, 7,8;33:7;39:16;40:8; 41:8,9,11;47:21; 50:10;64:11 <b>factored (2)</b> 6:14;50:5 <b>factoring (5)</b> 36:19;41:1,2,4; 64:15 <b>factors (5)</b> 12:3;18:1;21:5; 29:11;37:4 <b>facts (3)</b> 62:15;67:16;71:4 <b>factual (1)</b> 67:14 <b>failed (1)</b> 43:15 <b>failing (1)</b> 56:23 <b>fair (13)</b> 13:10,16;25:5,19; 27:13;33:13;40:18; 45:12;62:1;65:11; 73:24;74:8;79:11 <b>fairly (1)</b> 27:18 <b>fairness (2)</b> 39:8,10 <b>fall (1)</b> 52:18 <b>fallacious (1)</b> 69:1 <b>falls (1)</b> 25:25	



fiscal (6) 6:7,8,8;12:9;21:4,6	40:25;41:5,18;42:21; 48:20,22;49:6,15,17; 51:20;54:1,2;56:5; 57:17;59:24;60:15; 67:4;71:14;72:3	45:21 Gransbery (1) 3:20	63:1;72:6;73:14; 78:11	55:14;74:1;76:14
five (2) 33:21;59:4	51:20;54:1,2;56:5; 57:17;59:24;60:15; 67:4;71:14;72:3	great (1) 70:18	heard (15) 25:3;46:17;58:12; 18,22;59:17;60:4; 61:15,23,23;63:16; 23;64:1,2;71:7	identifying (1) 43:1
five-six (1) 36:22	Fulstone's (2) 51:23;71:8	grievance (3) 28:9;39:23;55:11	hearing (20) 5:21;8:16;32:9; 37:3;42:25;54:3,3,4; 58:5,5,7;61:14;71:17; 20;80:16,18,19; 81:16,21,23	ignore (2) 44:3;71:18
fix (6) 22:4;36:17,18,19; 38:9;56:18	fun (1) 62:14	grievances (4) 61:15,16;80:11,13	hearings (2) 8:17;66:2	illegal (1) 61:20
fixed (3) 38:3,3,4	function (2) 41:19;49:11	group (3) 23:11;55:25;68:6	heart (1) 73:4	imagine (1) 12:24
fixing (1) 37:10	fundamentally (1) 36:14	guarantee (4) 36:6;43:8;52:2; 73:5	help (2) 46:2;71:6	impact (2) 66:15,16
flows (1) 14:13	further (5) 15:25;17:22;19:7; 42:3;52:20	guarantees (1) 36:4	helpful (1) 45:7	impacted (1) 46:24
focus (3) 42:25;50:25;51:5		guess (15) 11:12,16;20:2; 21:13;23:3;42:5,19; 43:20;45:3;55:20; 62:1;64:9;74:18; 78:15,15	hence (1) 61:2	impacting (1) 46:21
follow (2) 18:14;44:11	G	guideline (1) 44:11	herself (1) 56:10	importance (1) 24:23
followed (2) 57:1;67:23	game (1) 75:1	gut (1) 65:17	hesitant (2) 64:17,18	important (4) 20:4;21:14;42:17; 47:14
following (7) 13:2;29:21;34:5; 39:1;60:2;62:24,24	gave (5) 5:21;19:25;70:13; 13,14	guys (5) 3:12;13:3;17:8; 71:3;80:24	high (1) 57:7	importantly (1) 41:20
foot (1) 10:16	general (3) 4:24;51:14;57:10		higher (3) 59:21;63:15;74:6	improper (1) 9:12
Foothill (1) 22:14	generally (3) 9:20;12:2;19:4	H	highest (5) 18:20,23;45:13,14; 62:9	improvement (3) 18:16,19,25
forget (1) 65:5	Gentlemen (1) 3:10	half (2) 63:4;70:10	himself (3) 30:13;36:23;39:11	improvements (3) 25:6;45:15;56:14
form (1) 41:4	geographic (3) 21:23;35:13;49:22	hand (1) 4:4	histories (1) 4:24	inadequate (2) 29:9,9
forth (1) 66:4	geography (1) 50:1	handle (1) 7:2	history (1) 4:19	inclination (1) 64:25
forward (5) 50:5;58:14;63:1; 67:23;73:17	germane (1) 38:4	hang (1) 70:21	hit (1) 65:4	Incline (28) 5:19;6:2;18:4; 22:13;24:12;26:25; 27:4,19,25;28:15,22; 29:7;30:11;31:13; 32:1,2;39:19;41:6; 16;43:1;49:23;50:9; 55:12;56:10,12;62:5; 67:16;76:9
found (7) 14:25;26:23;29:15; 44:15;54:10;62:4; 74:8	gets (2) 63:1;78:24	happen (3) 18:22;22:3;74:4	hold (2) 34:24;60:24	include (5) 6:9;21:23;48:21; 76:18;77:19
four (4) 6:3;51:4;53:5; 64:24	given (7) 7:21;23:7;52:23; 58:12;59:12;66:23; 68:10	happened (3) 17:7;25:8;30:4	Hopefully (2) 22:6;71:6	included (4) 15:21;27:4;34:2; 56:13
four-five (1) 36:22	Giving (2) 33:23;69:9	happening (1) 18:20	house (5) 10:16,17;29:4,4,4	includes (2) 22:13,17
frame (4) 31:4;77:2,4;78:1	goal (2) 76:19,23	happens (1) 30:22	houses (1) 46:23	including (1) 58:20
front (1) 62:7	goes (10) 22:14;27:6;39:15; 74:20,21,21,21,21; 75:1,2	happier (1) 73:21	hundred (3) 9:6;10:19;73:16	incomprehensible (1) 52:6
frontage (1) 19:2	Good (22) 3:3,6,7,9,11,12,14, 15,15,17,25;4:10; 5:22,22,24;12:12; 20:14;69:15;72:18; 75:2;78:12;79:14	happy (6) 4:21;7:10;13:20; 28:3;53:10;75:17	I	increase (8) 7:16;8:11;18:11; 21:16;38:12,18; 74:15;76:17
full (11) 3:13;21:6;36:9; 39:16;56:23,25; 58:16,25;59:3,61:10; 70:7	govern (1) 17:17	hard (1) 64:16	idea (2) 71:6;77:3	increased (3) 6:24;38:20;74:11
fully (2) 42:20;64:8	Government (2) 3:18;23:8	harm (4) 9:5,8;33:14;37:15	ideas (1) 70:18	increases (1) 18:4
Fulstone (30) 4:17;27:23,23; 28:7;34:1,13;35:8; 38:6,16,22;39:18;	governs (1)	head (1) 72:24	identical (1) 10:14	increasing (2) 8:6,8
		heading (1) 64:15	identified (6) 36:23;39:11;43:16;	
		hear (7) 13:22;42:10;45:2;		

independent (4) 48:3,6,10,14	investigated (3) 61:16,17,25	keeping (2) 38:7;43:17	lead (2) 21:10;63:7	15:14
in-depth (2) 13:13;16:16	investigating (1) 62:10	keeps (3) 20:5;66:4,16	leading (1) 21:12	lists (6) 6:4,6,9,17,24;7:9
indicate (3) 26:17;28:25;79:7	investigations (1) 80:10	Keri (1) 3:20	leads (1) 72:11	little (9) 5:1;25:21;32:20; 40:5;41:3;43:23; 49:18;71:6;79:8
indicated (6) 9:7;11:24;24:3; 28:9;41:11;56:6	investor (1) 18:18	kind (5) 5:9;22:14;62:21; 64:23;78:3	League (2) 6:5;27:24	Local (4) 3:18;16:11;23:8; 80:12
indicates (1) 79:4	irregardless (1) 62:22	knowing (1) 51:7	least (2) 28:25;47:19	locally (1) 23:11
indication (2) 10:10;18:13	isolate (1) 55:21	known (2) 23:14;75:23	leave (9) 12:10;16:14;42:12; 53:16;64:6;65:22; 68:17;70:14;79:12	located (1) 5:18
indicators (1) 7:17	issue (21) 30:21;41:22;44:12; 48:23;49:6;51:1,6; 57:21;59:19;62:6,9; 14:64;16:67;5:68;25; 69:3,7;72:4,6;75:10; 79:5	knows (1) 31:13	leaves (2) 67:10;71:13	logical (1) 30:3
individual (2) 17:10;31:14	issues (3) 44:3;49:2;81:7	L	leaving (1) 53:21	long (4) 30:16;47:18;77:5; 78:13
individuals (1) 38:12	item (5) 4:13;10:15;22:25; 79:24;81:14	labeled (1) 24:1	led (1) 72:7	look (23) 8:23;10:22;29:11; 30:22;31:3;35:2,6; 40:6;41:25;45:13,15; 46:23;47:5;48:4; 49:25;54:14;55:9; 61:9;71:11,21;73:24; 77:3;80:13
inequitable (3) 37:24;43:5;56:24	J	lack (3) 9:13;22:15;31:1	legal (3) 43:20;60:21,24	looked (5) 15:7;16:19;17:3; 21:9;67:12
influence (2) 20:15;47:2	Janie (1) 3:20	laid (1) 62:16	Legislative (2) 16:22;35:1	looking (18) 6:11;9:16;10:6; 18:12;19:1;28:15; 31:12;37:5;40:16; 42:24;43:10,10; 49:19;55:16;56:1,18; 60:25;64:15
influenced (1) 21:1	job (4) 11:6;18:1;19:10; 50:18	lake (11) 7:7;8:24;17:8,12; 18:3,5;19:2;20:15; 21:1,3;22:18	legislature (1) 52:1	looks (2) 7:13;49:25
information (8) 5:1;8:11,20;38:14; 58:15;71:18,18;80:8	Johnson (26) 3:6;5:12;12:19; 13:16;16:24;17:5; 21:21;22:9,17;25:11, 21;26;21:27:16; 45:19;46:7,9;48:19; 25;49:1,13;51:1; 71:2,21;77:7;79:2; 80:24	land (39) 6:10,12,14,15;7:19, 20,21,21,23;9:16; 11:25;12:3,6,7,7; 14:2,12,13,15,17; 17:17;18:2,5,13;19:3, 12;20:9,21;2:25:5, 16,19;27:12,12;29:5, 6,10;30:6;32:19; 45:12	lending (1) 52:20	lot (5) 8:19;17:14;67:8; 70:10;71:3
initiated (1) 51:4	Josh (4) 5:24;11:21;17:5; 22:21	language (3) 29:25;37:1,7	less (5) 15:5;26:9;45:15; 56:25;63:16	love (1) 5:12
input (2) 14:19;15:9	judge (2) 74:13,23	large (2) 33:7;63:6	level (31) 6:12;24:4,4,9,11; 25:2,10,17,25;26:3,5, 7,8,19;44:19,25;45:4, 9;47:22;52:14;54:20, 21,22,23;55:24;72:2, 12,16;77:9,12,17	loved (1) 65:19
inquiry (1) 42:3	Judicial (1) 75:22	Las (1) 3:8	levels (1) 55:4	low (1) 57:7
inserted (1) 52:5	July (1) 14:22	last (12) 5:14;20:20;21:3; 39:7;55:7;61:1;64:5, 17;65:13;68:17;70:3; 72:17	life (2) 18:18;66:4	lower (6) 6:25;12:4;20:10; 33:12;42:12;70:14
instance (5) 16:22;17:3;25:16; 50:2;55:23	June (1) 14:22	later (2) 12:11;79:12	light (1) 30:12	M
instead (2) 41:2;59:5	jurisdiction (3) 43:21,24;64:13	law (17) 4:8;9:7;18:6;25:2; 43:18;44:20;45:1; 52:15;54:20,22;72:2, 12,17;77:9,11,13,18	likelihood (1) 74:5	magical (1) 66:12
intangible (1) 19:11	jurisdictions (1) 47:16	laws (2) 14:11;73:11	likely (1) 57:19	maintained (2) 14:21;74:11
intend (2) 4:4;24:6	justifies (1) 11:25	lawsuits (4) 31:21;41:6;66:19; 68:24	limited (1) 71:15	major (1) 14:15
intermittent (1) 21:5	K	LCB (1) 57:12	line (2) 22:15,15	majority (1) 6:25
internal (1) 14:16	keep (1) 59:2		list (10) 6:1,13,13,13;7:8, 11;36:21;40:8;50:3; 58:21	makes (2)
interpret (1) 46:5			listed (1) 7:3	
interpretation (2) 53:22;81:4			listen (2) 44:7;59:6	
interrupt (3) 3:24,25;35:7			listing (1) 15:22	
interviewed (1) 15:15			listings (1)	
interviews (1) 14:10				
introduce (1) 3:16				
invalidated (1) 29:25				

				N
8:10;18:22	64:10;66:12;68:1;	40:22;25;41:13;42:5;	6:20	
<b>making (3)</b>	77:1;78:1,12	11;43:19;44:14,21;	<b>minute (1)</b>	
45:22;53:16;61:4	<b>mean (5)</b>	45:2,7,8,17;47:23,24;	63:15	
<b>mandamus (2)</b>	22:15;42:7;48:5;	48:5,9,15,18;51:12;	<b>minutes (3)</b>	<b>NAC (8)</b>
54:6;75:22	50:2;68:22	53:15;20;63:23;64:1;	22:3;33:21;64:18	24:23;44:15;45:19;
<b>mandate (1)</b>	<b>meaning (2)</b>	65:15;66:18;68:21;	<b>mislead (1)</b>	52:25;25;54:15;
71:12	14:24;52:2	70:13;73:21;75:8;	57:19	55:21,23
<b>manner (2)</b>	<b>means (11)</b>	77:5,23;79:16	<b>misleading (1)</b>	<b>name (2)</b>
19:6;31:19	24:25;27:6;43:14;	<b>Meservy's (1)</b>	32:20	11:3;50:15
<b>many (4)</b>	44:17,23;45:11,12;	49:17	<b>misspoke (2)</b>	<b>names (1)</b>
9:1;30:15;58:19;	46:5;54:17;55:24;	<b>met (1)</b>	68:21;69:16	19:25
62:18	76:19	80:25	<b>misunderstood (1)</b>	<b>narrow (1)</b>
<b>maps (2)</b>	<b>meant (1)</b>	<b>method (8)</b>	68:20	49:1
15:13,22	69:16	25:8,13,22,24;	<b>model (1)</b>	<b>nay (1)</b>
<b>March (4)</b>	<b>measure (4)</b>	26:3;27:14;61:19;	49:24	66:25
14:3;63:17;81:18,	9:6,8,10;64:11	70:4	<b>modified (1)</b>	<b>necessary (2)</b>
19	<b>measured (4)</b>	<b>methodologies (53)</b>	52:1	76:19;81:10
<b>market (40)</b>	8:25;9:6;24:9;49:9	6:3;9:20;11:14;	<b>modify (1)</b>	<b>need (22)</b>
7:17;8:6,7,25;9:9,	<b>median (3)</b>	12:21;14:2,5,6,17:6;	71:22	4:8,23;5:1,6;10:9;
17:10;22;11:13,17;	7:23;24:3;26:8	21:10;24:8,16;25:14;	<b>MONDAY (2)</b>	26:4,14;28:6;38:8;
15:12,14,15,17,18,20,	<b>meet (2)</b>	29:10,17;30:2;31:5;	3:1;81:19	42:16,19,20;43:20;
22,23,25;16:3,11,13;	25:10;81:18	32:4;34:19;36:13,20,	<b>money (4)</b>	50:17;55:21;58:13;
18:6;19:20;20:22;	<b>meeting (1)</b>	24:37,9,16,22;39:3,	29:3;65:4;70:10;	65:17;74:4;76:22,25;
24:21;25:5,19;27:13;	73:4	12:41;14,19,22;42:2,	76:20	77:8;79:8
29:19;37:19;38:14,	<b>meets (1)</b>	15,22;43:3,11,15;	<b>months (3)</b>	<b>needed (2)</b>
20:41;15:45;12;	26:1	44:1;49:7;50:1;51:4,	78:17;79:10,12	30:25;81:4
48:21;23;49:3;69:4;	<b>MEMBER (91)</b>	8:54;25;55:2,5,9,15;	<b>Moore (2)</b>	<b>needs (8)</b>
72:5,8	3:11;5:10,12;6:5;	56:17;57:6,13;68:23;	3:19;33:19	38:2,3,4;49:25;
<b>marketing (1)</b>	11:12,21,23;12:10,	69:2,6,16;77:11	<b>more (19)</b>	52:17;74:22;78:18;
10:2	12,15,17,19;13:16,	<b>methodology (7)</b>	5:1;8:10;12:10;	81:5
<b>Marnell (23)</b>	22,24;16:24;17:5;	9:12;25:4;29:16;	15:6;18:18;21:9;	<b>negative (2)</b>
3:9;12:12;40:4,20;	21:21;22:9,17;25:11,	31:20;49:11;51:5;	25:11,22;26:9;41:20,	18:12;47:2
59:16;63:20;64:20,	21:26;21;27:16;40:2,	69:9	21:42;19:49;18:57:5,	<b>neighborhood (1)</b>
21:69;18;70:19;73:1,	4,20,22,25;41:13;	<b>methods (38)</b>	9:64;18,20;67:2;	18:22
3:74;12,25;75:8,17,	42:5,11;43:19;44:14,	18:14;25:1;28:19,	78:25	<b>Nevada (22)</b>
25;76:2;77:21,25;	21:45;2,7,17,19;46:7,	21,22;30:5;31:9,10,	<b>morning (15)</b>	6:4,15;9:14,21;
78:10;79:10;80:1	9,47;24;48:5,9,15,18,	25;33:8;44:8,19,25;	3:3,6,6,7,9,11,13,	11:24;12:8;14:3;
<b>Martin (6)</b>	19,25;49:1,13;50:25;	47:6;50:24;52:14;	14,14,15,17;4:9;5:22,	17:16;19:8;21:16;
3:7;12:15,17;40:2;	51:12;53:15,20;	54:18;56:21;59:7;	24:12,12	29:19;30:23;41:17;
67:7;70:23	59:16;60:1;63:20,23;	60:7,11,19;61:9,12;	<b>most (6)</b>	50:25;51:9,25;52:20;
<b>mass (1)</b>	64:1,13,21;65:15;	65:2;67:15,22;68:8;	8:18;9:3;16:16;	55:10;62:9;75:23;
29:5	66:18;67:7;68:21;	69:24;70:3;71:25;	22:12;46:20;67:1	80:18,19
<b>massive (1)</b>	69:18;70:13,19,23;	72:23;73:7,7,8,8;	<b>motion (28)</b>	<b>Nevada's (3)</b>
62:15	71:2,21;73:1,3,21;	75:4;76:8	40:5,7,14;58:9;	36:3;51:7;52:4
<b>materials (1)</b>	74:12,25;75:8,17,25;	<b>middle (1)</b>	60:5;62:13,25;63:10;	<b>new (9)</b>
28:8	76:2;77:5,7,21,23,25;	12:4	64:5;66:10;67:12;	12:20;22:2;52:18,
<b>math (1)</b>	78:10;79:2,10,16;	<b>mid-February (1)</b>	68:19;69:25;72:17;	21,21;73:11;75:15;
7:14	80:1,24	78:8	73:25;75:13,14,15,	76:15;77:12
<b>mathematical (1)</b>	<b>members (7)</b>	<b>might (14)</b>	16,18;76:10,18;77:5,	<b>newest (1)</b>
56:1	11:11;50:14;59:19;	7:11;13:11;14:4;	8,20;78:6;79:18,20	5:10
<b>matter (13)</b>	62:18;76:6;79:22;	16,8,11;21:10;22:22;	<b>move (1)</b>	<b>newly (2)</b>
38:23,23;39:8,9;	81:12	24:21;37:19;44:6;	58:14	18:7;23:15
53:7;54:3;56:22;	<b>memory (1)</b>	45:7;48:25;56:5;	<b>moving (2)</b>	<b>next (10)</b>
57:24;66:17;70:2,8;	75:18	64:20	63:1;73:17	10:16,17,18;13:20;
78:21;81:17	<b>mention (1)</b>	<b>million (3)</b>	<b>much (10)</b>	22:25;27:22;46:23;
<b>may (16)</b>	57:11	6:18,20,21	3:21;5:15;16:24;	78:2,17;81:17
18:11,22;23:4,5;	<b>mentioned (1)</b>	<b>mind (2)</b>	40:12;45:17;53:13,	<b>night (1)</b>
27:3,3;28:2;32:1,1;	24:15	63:2;72:24	24:54;6;73:21;79:22	63:12
42:15,15;47:12;	<b>merely (1)</b>	<b>minimum (1)</b>	<b>must (5)</b>	<b>None (5)</b>
56:14,24;59:1;61:24;	36:8	52:16	19:11;25:7;27:13;	4:10;8:24;22:21;
76:25	<b>Meservy (40)</b>	<b>minor (1)</b>	46:2;50:8	29:16;35:25
<b>maybe (9)</b>	3:8,11;11:12,21,	69:7		<b>non-rollback (3)</b>
5:10;11:14;41:3;	23;12:10;13;22,24;	<b>minus (1)</b>		7:20;8:22;12:6

normally (1) 8:3	22:4:33:2:59:11; 60:14:74:7	72:15:77:2:80:17	10:3,3,4,5,6,13,20; 12:24:18:5,9	8:12:17:2:37:20; 38:21:48:6:52:9; 63:5:78:23
note (3) 23:23;24:18;47:14	offer (1) 56:16	orders (1) 53:9	parcel (3) 6:9:15:21:56:13	personally (4) 64:5,7,65:22;66:24
noted (1) 20:13	office (12) 4:25;13:2;14:16; 15:2,13,14;17:15; 20:17:22:7;76:11; 77:16;79:4	original (2) 64:24:74:10	parcels (4) 6:1,23;7:9;74:1	personnel (1) 15:15
notes (3) 15:7:60:25;62:17	offices (1) 16:17	originally (3) 11:18;60:17;74:10	part (15) 8:18;9:3;13:20; 28:9,23;30:4;42:13; 48:20;54:7;57:7; 62:20;75:11;77:7; 78:15,15	perspective (1) 62:16
notice (3) 30:25;52:23;53:2	old (1) 18:22	others (2) 62:11,11	parties (5) 5:8;44:7;50:17; 54:9;73:6	persuaded (1) 49:19
noticed (1) 32:8	once (4) 13:12;41:21;58:5; 67:9	otherwise (4) 33:11;37:14;53:11; 64:17	particularly (2) 29:18;52:8	pertinent (1) 71:4
November (14) 5:21;6:1,6;37:2,3; 41:10;42:25;50:10; 60:6,17;62:13;64:24; 66:8;73:4	one (51) 3:24;6:3,7,7,8,16; 7:24;10:14,16,17,18; 18:16;8;18;9;21:22; 22:9,10,12;24:1; 25:11;33:2;34:22; 35:20,21;40:25; 41:13;46:19,20,21; 53:17;54:8;57:5,9; 58:22;60:24;61:6; 62:6;63:9;64:21; 66:7;67:5,7;68:13; 69:20;71:7;72:13,18; 73:12,22;79:11,12	ourselves (1) 66:19	party (3) 4:22;23:1;67:23	piece (3) 5:14;64:21;65:8
NRS (9) 23:18;25:9,16; 26:17;45:11;47:15; 74:16;75:6;76:17	ones (4) 39:13;70:5;75:5,11	out (22) 4:14;12:14;27:6; 32:5,18;39:19;40:1; 17:43:5;44:9;45:11; 51:11;54:14;55:21; 57:9;61:5;62:16; 65:21;72:11,15; 76:22;80:16	path (3) 62:24;68:18,19	pitcher (1) 33:18
null (7) 30:2;37:7,23;42:4; 23:43:5;49:8	only (19) 3:24;10:9;16:6; 17:15;23:9;29:22; 31:8,22;35:10;53:3; 8:55;4:65;9,14;66:9; 67:13,20;73:23;77:7	outlined (2) 25:9,16	pending (1) 8:19	place (8) 3:4,8;7:21;17:20; 34:15,19;57:16; 59:21
number (15) 5:2;6:9;8:22,22; 14:1;23:9;26:24; 49:10;65:4;66:3,15; 74:14;75:19,24;79:3	open (4) 11:10;67:21;71:13; 78:11	outset (1) 37:11	people (6) 58:20;61:18;64:12; 67:24;68:4;77:1	places (1) 32:2
numbers (5) 15:21;40:9,13,16, 17	opening (1) 66:19	outside (1) 22:17	people's (1) 61:23	please (5) 3:16,16;4:3,4; 19:15
O	operating (1) 52:24	outstanding (1) 50:18	per (1) 58:3	point (16) 4:14;27:11,14; 32:18;35:16;40:16; 44:10;46:10,12; 51:11;54:14;55:21; 57:9;60:4;78:24; 80:16
	opinion (7) 39:15;40:19;59:18; 65:16,18;74:19;75:6	over (9) 5:14;14:17;17:2, 20:42;10;52:8;56:15; 63:4;67:10	percent (21) 7:16,19,22,24; 11:25;12:2;15:6,6; 24:5;25:17,18;26:23; 32:3,3;33:6;45:10; 54:23;56:1;73:5,16; 76:8	pointed (1) 32:5
object (1) 51:22	opinions (1) 70:17	overall (1) 24:3	percentage (3) 8:11;54:23;58:18	policies (1) 14:12
objection (1) 51:23	opportunity (3) 66:23;71:16;80:20	overriding (1) 69:21	perform (2) 23:12,22	policy (4) 38:23;39:4,9,10
objects (1) 51:20	Opposed (1) 79:21	overrode (1) 69:25	performance (9) 14:1,6;16:6,15,20, 22,25;23:16;24:16	portion (4) 4:22;22:12;29:5; 30:6
obligated (2) 53:1;59:25	option (3) 53:18;60:14,16	own (1) 66:5	performs (1) 27:6	position (3) 53:12;59:23;67:3
obligation (5) 37:10;51:25;67:18; 80:22,25	options (4) 53:10,18;67:11; 72:13	owner (1) 7:4	perhaps (8) 9:4;13:10,14; 18:11;28:1;46:2; 57:10;58:13	possible (4) 40:12;59:17;77:8; 79:25
obligations (1) 36:3	order (6) 17:12;53:7;71:7;	owners (5) 7:6,6,8;58:21; 80:14	period (8)	possibly (2) 33:7;45:5
observe (1) 16:8		P		practices (7) 13:3,13;14:17; 16:19;19:4;20:10; 23:16
obsolescence (1) 18:15				precedent (2) 70:6,6
obtain (1) 5:7		page (3) 74:13;79:3,6		predominant (2) 36:7;43:9
obtained (1) 15:13		paid (1) 50:5		prepare (1) 77:16
obviously (3) 17:8;39:13;66:22		paper (1) 59:22		
occur (1) 18:20		paragraph (1) 79:6		
occurred (1) 8:18		parameters (2) 25:9,15		
off (5)		paraphrasing (1) 20:15		
		parasales (10)		

prepared (1) 13:18	23:10	81:21	12:1,4,5;25:25; 52:19	65:1
preparing (1) 23:14	prolong (1) 57:4	publically (1) 32:8	rate (5) 36:5,12;43:12; 47:22;52:3	reappraising (1) 74:9
presented (5) 32:21;40:7,17; 81:7,8	prolonging (1) 57:18	pull (1) 46:8	rather (3) 33:16;45:14;63:8	reason (8) 33:5,6,11;55:16; 60:5;61:6;65:14; 67:13
presenting (1) 28:2	promulgated (1) 9:13	punitive (1) 64:11	ratified (1) 17:22	reasonable (1) 78:16
presents (1) 28:2	proper (2) 26:3;37:10	purpose (5) 4:14;23:14,19; 52:24;71:20	ratio (37) 7:23;9:1;13:13; 15:3;16:18;20:12; 23:14,18,21,24;24:2; 10,18;26:22,23,25; 27:8,8,10,11,14; 36:18;37:20;41:25; 52:17;53:9;55:2,24; 56:7,8,11,15,15; 58:19;69:13;72:15; 77:16	reasons (3) 11:3;60:21,25
pretty (6) 7:14;11:17;42:17; 66:6;71:13;73:19	properly (1) 67:1	purposes (8) 26:15;29:2,3;31:9; 22:32;13:54;12;81:9	reach (3) 25:9,15;37:22	reassess (2) 28:19;74:3
previous (1) 75:16	properties (43) 5:18;7:6;8:24;10:1; 14:11;3:12;24:14;14; 17:11;19:22;20:23; 21:8;23:12;24:3,10; 12,13;25:7,15;26:18; 27:4,5,9;32:19,25; 33:2;35:18;36:23,24; 37:5;39:19,21;41:15; 43:16;46:19;47:1; 55:14;59:13;71:17; 74:9;76:11,13;79:5	pursuant (8) 5:20,25;12:1;18:7; 19:10;36:19;37:9; 52:25	reached (2) 41:9;42:22	reassessing (1) 28:15
previously (2) 37:12;55:7	property (40) 10:22;13:9;16:10; 17:8;18:17;23:20; 24:24,25;25:9;27:24; 28:16;29:2,14;30:7; 31:14;39:3;42:13; 44:16,17,18,24; 46:18,21,22;51:11; 15,24;52:13,13;53:4; 54:16,17;56:25; 58:20;63:4;69:4; 74:6,15;76:21;80:14	purview (1) 28:21	reaches (1) 18:17	rebuild (1) 18:19
price (2) 10:23;15:4	property's (2) 18:19;36:8	pushed (1) 68:25	reaching (1) 26:3	rebut (1) 28:2
prices (2) 16:2;64:3	proposal (1) 33:9	put (5) 9:23;21:14;30:24; 59:11;62:17	read (7) 5:14;44:9,12,21; 51:13;64:17;71:23	rebuttal (4) 13:20;16:15;23:1; 56:6
primarily (2) 35:18;50:18	proposed (1) 23:2	putting (1) 20:2	reading (2) 5:11;20:16	recall (6) 17:21,23;20:12,16; 22:22;60:16
principal (1) 34:22	proposes (1) 74:14	Q	ready (1) 33:25	Recess (1) 33:22
principle (2) 36:14;57:1	proposing (1) 78:9	quality (2) 55:24;56:2	reaffirm (1) 75:14	recognize (1) 56:23
prior (8) 4:19;14:4,7;19:14; 21:1,11;48:5;80:2	provided (12) 6:4;12:1;33:3; 35:18;36:21;57:13; 61:6,13;63:10;68:5; 76:4;80:6	quandary (1) 9:15	real (2) 31:14;69:7	recommendation (2) 24:6;69:9
probably (11) 5:5;16:16;20:24; 22:14;59:5,10;60:20; 21:65;17:74;4:81;18	provides (1) 18:8	quick (1) 44:21	reality (1) 32:12	recommended (2) 11:24;12:7
problem (5) 9:23;27:12;63:9; 73:17;77:21	providing (1) 28:8	Quite (2) 38:1;47:18	realized (1) 29:24	recommending (1) 27:11
problems (1) 14:25	provision (1) 52:4	quote (2) 36:4,15	really (16) 20:25;23:6;28:20; 30:21;58:23;65:18; 67:10,20;68:25;69:5; 12;71:2;73:14;75:8; 78:10,21	record (29) 4:1,15,17,18,22,23; 5:8;7:4;8:20;9:23; 12:21;14:1;16:19; 21:15;23:23,24; 26:14;27:20;28:10; 25;31;8;34;25;35:15; 36:2;45:9;50:15; 60:17;62:8;80:15
procedures (5) 14:12,17,25;16:17, 21	provisions (1) 74:16	quoted (2) 34:1;45:22	reappraisal (19) 8:1,13;19:5;21:3,6; 9,11,24;22:11;25:23; 38:14,19;47:21;53:7; 71:7;72:19,25;73:13; 75:4	recorder's (1) 14:21
proceed (2) 5:11;33:24	public (5) 4:8,9;52:23;53:1;	quoting (1) 36:1	reappraisals (1) 55:3	records (3) 14:19,21;15:10
proceeding (8) 34:4;50:23;51:13, 22:52;22,23;53:2; 54:12		R	reappraise (8) 60:10;65:2;68:17; 74:2,6;76:11,13;79:4	redo (2) 59:7;65:6
proceedings (1) 48:24		R031-03 (1) 34:23	reappraised (1)	reduce (3) 4:20;47:1;72:9
process (12) 29:12;30:14,16; 34:11,15;35:9;47:19; 54:6;57:8;66:7; 67:24;69:5		raise (3) 4:3;42:12;70:14		reduced (1) 32:25
processes (4) 15:2,8;16:1;35:20		raised (2) 48:23;72:4		reduction (3) 6:18,22;70:10
produce (1) 55:6		raising (1) 72:6		reevaluate (1) 74:1
profitable (1) 18:18		ran (1) 9:1		refer (5) 13:25;14:8;18:15; 45:11;53:6
programs (1)		random (1) 27:5		reference (2) 35:10;54:21
		randomly (1) 14:20		
		randomly-selected (1) 27:3		
		range (5)		

referred (1) 15:4	remarks (2) 23:4,7	27:24;28:16;30:7; 31:14	57:12	23:12;24:2;26:8; 27:2,3
referring (1) 26:22	remedied (1) 37:17	resolve (1) 42:14	Road (3) 22:14;60:23;66:9	sat (1) 62:12
refers (1) 34:14	remedy (4) 38:10;39:5;55:4; 67:24	resolving (1) 31:23	6:10;8:5;40:7; 66:11;69:20;74:15	satisfied (2) 36:8;43:10
reflect (1) 16:9	remind (1) 3:23	resources (1) 4:20	rollback (3) 6:12,14;8:22	saw (2) 6:24;40:14
reflected (1) 50:3	removal (1) 57:6	respect (2) 35:14;59:18	rolled (1) 50:4	saying (16) 8:9;20:6;22:8; 26:14;29:20;42:5; 59:25;60:12;65:16; 66:16;67:9;68:12; 71:12;75:9;9:80:25
refunds (1) 50:5	remove (4) 57:8;60:18;65:1; 75:3	respond (2) 13:19;56:5	rolls (1) 72:9	scale (2) 62:15;63:5
regard (2) 47:9;52:12	removing (2) 73:6,8	response (5) 21:10;28:13;65:18; 78:7;79:3	rotational (1) 23:13	scared (1) 22:6
regarding (2) 5:18;7:11	replacement (2) 25:6;45:15	responsibilities (1) 46:15	roughly (2) 6:21;22:14	schedules (2) 81:16,16
Regardless (5) 10:12;11:1;19:19; 59:20;66:5	reply (1) 34:6	responsible (1) 23:9	round (3) 64:5,17,18	seated (1) 4:6
register (1) 35:2	report (7) 5:17;14:10;16:6; 23:1;55:13;81:10,17	rest (6) 16:7,14;24:11; 61:4;69:12;73:13	route (2) 65:10,11	seats (1) 33:24
regs (3) 11:15;34:9;64:12	reporter (1) 42:9	restating (1) 69:11	routinely (1) 46:20	second (10) 26:1;48:8;60:24; 72:18;75:22;77:5,23; 79:15,16,18
regulation (26) 9:13;18:8;24:23; 26:16;34:13,15,16; 19:35;4,15,16;44:7; 13:45;22,25;46:6; 51:13,15,16,19,21,21, 22,23;52:21;57:21	reporting (1) 3:22	result (2) 41:23;45:5	RUBALD (37) 3:17,18;4:12;5:7; 16:13;18,23,25;17:1; 22:25;23:6;25:13; 26:2,16;27:2,17; 28:8;34:1,11,13,18, 22,25;37:18;45:5,8,9; 47:12,14;51:10,14; 55:20;56:10;57:4,18; 79:24;81:14	seconding (1) 64:4
regulations (39) 14:12;17:17,22; 18:7,13,15;29:21,22; 30:8,10,12,14,25; 34:2,4,5;35:3,9,11, 14:39;1:46;16:47,7; 9:52;10,21;53:2,3,18; 54:5,7,8,9;55:22; 57:11,15,24;58:1; 73:11	represent (1) 7:8	resulting (2) 37:16;42:2	Rubald's (1) 52:16	secretary (1) 81:15
rehearing (1) 40:9	representative (1) 58:16	results (5) 15:18;27:19;57:7; 65:20;77:15	ruled (1) 10:1	Section (7) 4:13;13:20;14:9; 23:1,11,15;74:22
reiterate (3) 24:20;22;58:10	representing (1) 6:12	retroactively (1) 34:6	run (1) 40:8	Seeing (3) 22:21;64:16;72:24
rejected (1) 28:18	represents (3) 6:15;7:22;22:10	return (2) 55:6,7	running (1) 3:9	seem (2) 28:14;53:9
rejoice (1) 75:18	request (3) 5:25;28:18;47:21	returned (1) 39:20	S	
related (2) 14:13;75:10	requested (1) 6:6	revalue (1) 30:11		
relates (1) 9:17	requests (1) 4:16	review (2) 14:11;20:18	sale (3) 15:3,3;19:1	seems (10) 7:13;27:13;41:1; 64:3,14;67:5;68:14; 74:7;76:5;79:6
relation (1) 69:12	required (20) 7:23;25:2,23,25; 44:20;45:1,9;52:15; 54:20,22;55:8,11; 71:22;72:2,12,16; 77:9,11,13,17	reviewed (6) 12:7,15;17,24; 16:2;20:19;51:4	sales (33) 7:21;10:4,8,9,11; 13:8;14:21;15:2,5,16, 24,25;16:2;17:4; 18:24;19:3;20:9; 24:18;27:8,9,11,14; 29:5,9,9,12,14;30:15; 31:1;35:19,20;72:15; 77:16	selected (2) 14:20;15:17
relationship (2) 24:13;25:4	requirement (1) 25:3	revise (1) 24:7	same (25) 10:17;14:6;19:6, 24:24;11,12,21; 30:19;31:19,20; 46:24,24;47:1,2; 59:11;62:12;67:11, 14,21;68:17;69:25; 70:2,9;71:23;76:9	selection (1) 27:5
relatively (1) 52:9	requires (3) 42:12;78:25;80:5	revised (2) 5:18;30:9	sample (5)	self-identified (1) 37:6
relevant (4) 14:4,18;16:13; 19:21	reread (1) 46:2	revisions (1) 17:19		sell (2) 10:23;11:4
remainder (1) 52:20	research (2) 66:22;68:4	right (33) 4:4;8:9;11:9; 21:19;22:16;28:1; 34:8;36:11;43:12,14; 44:1;46:3,23,60:18; 61:4,10;62:3,7; 63:13;64:25;65:3; 66:1,24;67:11;68:25; 70:21;72:20,22;73:6; 75:3,13;79:17,22		selling (1) 29:4
	reserve (1) 28:1	RO31-03 (1)		sells (3) 10:18,19,22
	reset (7) 37:3,12;38:9; 39:12,20,22;43:17			sense (5) 8:5,10;18:23;30:3; 64:3
	resetting (3) 31:15;32:16;33:10			separate (2) 6:7;48:17
	residential (4)			September (6) 61:14,20;62:13; 66:7;80:11,16

December 3, 2017

serve (1) 23:9	43:20	14:44;18,24;46:14; 17,21,22;47:3,8,8,25; 48:13,17;50:15,21, 24:51;8,25;52:16,20; 54:18;56:25;57:1; 61:5,8;62:9;68:2,8; 69:22;70:1;75:23; 78:24;80:14,18,19; 81:6	studies (15) 9:1;12:25;16:18; 23:24;26:25;36:18; 37:20;55:2;56:7,8,11, 15,15;65:5;69:13	sure (18) 7:1;28:5;35:22; 48:7;49:2;50:3; 58:17;64:19;66:1,6; 71:13;72:14;73:9; 75:5,6;76:7,21;78:17
Services (2) 3:18;23:8	somewhat (1) 78:19	stated (1) 17:1	study (23) 13:13;16:16;20:12, 16:23;14,18,21,22; 24:2,10;26:22;27:10, 14,18,19;41:25;42:3; 52:17;53:9;55:24; 58:19;72:15;77:16	suspect (1) 51:16
set (5) 30:9;55:6;57:2; 70:5,6	somewhere (2) 22:16;78:7	statement (2) 28:12;78:5	stuff (1) 65:5	swear (1) 4:2
settled (2) 31:13,14	sooner (1) 78:18	statements (1) 28:11	styled (2) 47:15,16	sworn (1) 4:5
settlement (1) 46:25	sorry (7) 7:15;35:7;38:16; 57:4;63:20;75:2; 76:12	states (1) 52:24	Sub (2) 4:13;23:1	system (11) 15:8,10;20:13; 22:2;29:18,18,20; 66:6,10,11,16
settlements (1) 41:9	sort (2) 18:8;64:10	statewide (6) 50:22,23;79:25; 80:5;81:1,11	subject (3) 6:2;57:15;75:21	systems (2) 20:9;73:11
several (3) 47:17;59:9;73:23	sound (1) 72:19	statistical (5) 23:21;26:10,19; 56:2,8	subject's (1) 10:10	
share (1) 67:21	sounds (4) 11:17;59:20;63:14; 73:19	statute (3) 12:2;45:10;47:18	subsection (1) 26:9	<b>T</b>
short (3) 33:20;52:9;57:5	southern (1) 22:12	statutes (2) 35:2;46:16	subsequent (2) 45:20;46:1	table (2) 60:14;67:6
shoulders (1) 63:9	speak (3) 3:24;73:20;79:2	statutory (4) 25:6,10;51:24,25	subsequently (2) 17:7;49:21	Tahoe (6) 17:9;18:3;20:15; 21:1,4;22:18
side (1) 67:5	speaking (1) 50:18	stay (5) 8:19;26:1;67:11, 14:68;18	substantial (1) 17:19	talk (1) 63:24
significance (1) 16:10	specific (5) 14:13;27:17,18; 62:6;68:3	staying (2) 60:23;68:19	Suellen (1) 27:23	talked (2) 14:5;73:23
significant (2) 14:12;26:10	specifically (3) 14:8;26:25;36:2	stems (1) 14:22	sufficient (1) 35:19	talking (7) 26:6;34:10;52:9; 54:16;63:3;67:4; 68:23
significantly (2) 18:21;38:21	speculations (1) 37:18	steps (1) 23:3	suggested (1) 55:8	talks (2) 36:2;61:14
similar (6) 8:13;12:25;13:2; 42:6;59:10;71:17	split (1) 66:2	stick (1) 22:21	suit (1) 75:11	targeted (1) 12:4
similarly (3) 13:8;26:18;46:19	spot (3) 62:12,13;65:4	sticking (1) 63:10	supercede (1) 75:15	tax (28) 5:20;6:15;9:14,21; 11:24;12:9;14:3; 17:16;19:8;23:19; 29:2,8,17;30:24; 32:1;34:6;44:12; 45:21;47:20;48:11, 14,16;53:7;60:10; 67:18;69:3;76:13,21
similarly-situated (3) 25:7;26:18;59:13	square (1) 10:16	still (21) 8:13;12:5;17:8,9; 18:3,5,12;19:1,5,15, 20;25:9,15,25;26:3; 59:25;61:16,17,25; 68:7;69:15	supported (1) 16:3;67:13	taxable (29) 6:10;8:25;9:9,16; 24:13;25:4,18,19; 29:20;36:8;42:12; 45:10,11,12;48:21, 22;49:3;56:21,22,24; 64:9,23;65:23;69:8; 70:7;72:5,8,9;76:15
simply (2) 55:10;56:18	staff (7) 3:16,20;14:11; 15:6;23:9;27:6;81:15	stop (1) 34:8	supposed (3) 43:23;44:2;80:7	Taxation (9) 4:16;6:5;12:8; 13:12;17:16;20:11; 36:5,12;52:3
single (1) 56:12	stake (1) 45:21	straight (1) 22:15	Supreme (46) 5:5;6:4;8:19; 11:15;25:14;28:17, 22;29:15,24;30:23; 31:8;32:14;35:25; 36:16,25;37:1,7;38:7, 24,25;39:5;41:20; 42:24;43:17;50:8; 51:3;54:10,12;55:1; 56:19;57:3;58:3; 60:13,20,23;61:3; 62:16,19;65:7;67:9, 25;68:14;69:19;70:6; 71:9,15	taxpayer (6) 31:13;43:11,11,14; 46:21;75:3
sit (2) 62:12,21	stand (2) 4:3;75:14	stratum (1) 15:12	support (4) 49:3;52:20;64:19; 73:12	taxpayers (15)
site (2) 15:19;16:3	standpoint (2) 18:23;39:4	strictly (1) 75:10	supporting (2) 16:3;67:13	
sits (2) 59:24;62:7	stands (1) 25:22	strongly (1) 73:13	supposed (3) 43:23;44:2;80:7	
situated (1) 46:19	Starbucks (1) 70:20	struck (6) 25:8,14,14,22,24; 26:3	Supreme (46) 5:5;6:4;8:19; 11:15;25:14;28:17, 22;29:15,24;30:23; 31:8;32:14;35:25; 36:16,25;37:1,7;38:7, 24,25;39:5;41:20; 42:24;43:17;50:8; 51:3;54:10,12;55:1; 56:19;57:3;58:3; 60:13,20,23;61:3; 62:16,19;65:7;67:9, 25;68:14;69:19;70:6; 71:9,15	
situation (1) 73:24	start (7) 5:10;11:11;21:22; 42:10;58:13;59:11; 74:7	struggle (3) 71:24;72:3,10		
six (4) 5:14,14;79:10,12	starting (1) 10:13			
size (1) 15:23	starts (1) 22:16			
sleep (1) 63:12	State (51) 3:4;8:16,17;12:23; 13:2,14;14:11,16;7; 23:13;24:25;29:1; 30:23;31:7,11;36:3,			
slightly (1) 24:4				
small (1) 6:25				
solution (1) 72:9				
somebody (1)				

27:24;31:14;32:6; 9:33;14:14;36:17; 39:7;41:7;50:4;52:4; 54:9;55:12;80:18,20 taxpayer's (1) 36:11 tear (9) 11:2;18:12,19,20; 19:1;29:12;30:14,17; 31:6 techniques (6) 8:12;18:9;19:4,8; 59:7;74:2 technological (1) 77:1 technology (1) 73:10 telephone (1) 3:7 tells (1) 10:20 ten (3) 15:17;63:20;70:10 tend (1) 72:18 term (1) 14:24 terminology (1) 38:13 terms (5) 41:8;45:24,25; 46:11;71:15 Terry (16) 3:15,17;4:11;5:15; 13:16;22:24;26:13; 27:22;45:8;55:19; 61:17;75:18;77:16; 79:23;80:8;81:13 test (1) 26:1 tested (2) 14:17;15:9 testified (1) 61:18 testify (1) 4:4 testimony (14) 40:12;58:6,11,17; 60:3;61:20,24;65:20; 67:3;68:10;71:8; 76:4;78:11;80:4 therefore (3) 60:2;61:9;72:7 thinking (8) 5:5,9;42:14;63:12; 64:14;68:12;69:7; 78:4 third (3) 23:25;35:22;54:3 thorough (1) 16:23 though (8) 11:14;38:14,19;	42:15;58:10;59:25; 66:14;69:1 thought (14) 5:13;40:5;42:17; 43:21;59:3;60:17; 64:25;66:7,17,18; 67:1;69:5;72:14,18 thoughts (4) 59:14;65:22;68:11; 73:3 thousand (2) 10:19;50:4 three (10) 6:6;13:12;24:1,1; 37:7;60:10;65:2; 73:14;74:14;76:13 three-bedroom (1) 10:15 three-four (1) 36:22 three-year (1) 63:5 throughout (5) 13:14;23:13;41:17; 80:9,19 throw (2) 74:18;80:1 throws (1) 40:17 thus (1) 50:21 times (3) 5:14;59:9;73:23 Today (22) 3:4,19,23;4:1,4; 5:11;40:6;50:20; 51:14;52:22;53:5,10; 55:14;58:6;59:17; 60:5;61:2;62:8,12; 63:1;64:2;68:10 today's (3) 52:22,23;53:2 together (1) 63:17 told (6) 36:16;42:13;58:9; 65:25;71:9;74:23 tolerance (1) 12:6 tolerances (1) 12:1 ton (1) 66:19 Tony (3) 3:5;69:19;70:19 took (4) 7:21;17:19;61:21; 62:22 torn (1) 18:24 total (6) 6:17,22;41:15; 42:17;64:9;69:3	totally (1) 69:1 towards (1) 67:12 traced (1) 14:20 track (1) 68:15 traditional (3) 9:6,8;22:11 traffic (1) 46:20 transferred (1) 7:7 treasurer (1) 50:20 treat (1) 47:1 treated (1) 26:18 troubling (1) 9:3 true (1) 30:19 trump (1) 69:24 try (8) 3:24;5:7;20:14; 27:4;30:3;42:21; 59:16;64:25 trying (3) 17:9;42:14;66:15 turn (1) 52:2 two (9) 5:5;10:1,14;22:16; 24:1;26:24;33:2; 54:9;74:13 two-bathroom (1) 10:16 two-part (1) 25:3 two-prong (4) 51:21;52:13;53:3; 71:24 tying (1) 60:25 type (1) 19:2 types (3) 14:6,14;15:23 typical (2) 10:15;16:21 Typically (1) 7:6 typing (1) 3:22 U ultimate (1) 41:19 ultimately (5)	12:8;13:5;17:20; 23:18;2 unanimously (2) 79:20,22 unauthorized (1) 39:3 unchallenged (2) 32:15;55:7 unchanged (6) 42:12;53:16,21; 64:6;65:23;70:15 unconstitutional (65) 6:3;9:19;10:2; 17:7;20:1;24:8; 28:20,23;29:15;30:1; 2:31;10:20,25;32:11; 16:33;8:36;13:17,18; 20,25;37:9,15,16,22; 38:8;39:2,12;41:23; 42:2;43:3,25;49:7; 12;50:1;54:24;55:5; 15:56;17:21;57:6,13; 58:2;60:7,11,19;61:9; 12,19;65:2;67:15,22; 68:6,8,16,22;69:24; 70:3,8;72:1;73:7,8; 74:2;75:4 unconstitutionally (2) 76:14,15 undefined (1) 46:10 under (8) 4:13;22:25;30:13; 36:10;44:3;53:18; 65:16;72:17 undertaken (2) 15:8;16:1 Unfortunately (1) 4:20 uniform (8) 25:7,8,13;36:4,11; 37:8;43:12;52:3 uninformed (1) 29:18 uniformity (4) 29:20,21;31:2;56:2 uniformly (5) 25:1;44:18,24; 52:14;54:18 unit (1) 15:19 unjust (12) 36:12;37:1,8,23; 41:24;42:4,6,23; 43:4;56:24;57:8; 61:25 unless (2) 55:17;68:19 up (30) 5:17;7:18;11:10; 15:7;22:14;23:3; 27:7;33:16;35:1,6; 44:2;46:4,8;53:8;	60:25;62:8;64:4; 66:2,5,12,19;67:21; 74:20,21,21,21;75:1, 1,5;78:11 updated (2) 17:22;30:12 updating (1) 17:16 upholding (1) 36:13 urge (1) 16:5 use (27) 11:14;14:15;15:15; 18:2,20,23;24:20; 28:25;29:13;31:6; 32:4;34:20;41:21,23; 42:22;44:22;45:13; 14,14;46:14;49:7; 50:1;51:20;58:18; 71:25;72:23;76:19 used (32) 12:22;14:2,7,15; 15:12,16;28:19,22; 24,24;30:5,17,19,20; 31:10,11,20,25;33:8; 37:21;38:13,14; 41:19;47:6;50:24; 51:8;55:9;59:6,7; 60:7;67:15;68:8 uses (5) 24:17;39:2;42:2; 56:20,21 using (20) 12:24;24:7,25;23; 30:14;31:6,7;36:24; 39:11,15;41:14,14; 43:3,14;55:15;60:10; 61:8;73:7,8;74:2; 77:10 utilize (2) 18:10;19:8 utilized (6) 8:12;9:21;19:5,6,6; 20:8 utilizing (1) 8:10 V vacant (2) 29:6,9 validate (5) 32:4;54:24;55:2,3, 3 validates (1) 12:5 validation (1) 56:16 validations (1) 30:1 validity (1) 51:8
---	--	--	---	---



<p>valuation (32)</p> <p>9:3,13,18;14:2,13, 14,17,21;1:24,25; 29:14,23;35:14,18; 36:10,12,18,19,19; 41:18,19,22,24;42:6, 22:43;14:44;3:49;10; 50:24;54:17,22; 68:23;74:15</p> <p>valuations (23)</p> <p>5:18;24:7;32:16; 36:25;37:2,6,16; 38:8;41:25;42:1,3; 43:1,4;44:16,17; 49:11;51:25;55:5,6; 57:8;69:7,10;76:16</p> <p>value (108)</p> <p>6:10,14,18,21,22; 8:13,23,25,25;9:9,10, 16,16,17;10:10; 11:13,17,25;12:6,23; 15:3,19,19;16:9;18:1, 2,5,11,11,13,25;19:3, 9,12;20:10,22;24:13, 19;25:4,5,18,19,19, 24;27:13;29:19,20; 30:6;32:19;36:8,9; 37:19;38:13,18;39:3, 16;41:15;42:13,17; 43:10,21,22,25;44:3, 22;45:5,10,11,12,12; 46:18;48:21,21,23, 23;49:3,8;51:12,17; 52:13;55:7,56;19,22, 23,24,25;57:7;58:17, 25;59:4,8;61:10; 63:4;64:10,23,23; 65:23;67:4,5;69:4,8; 70:1,7,7,7;72:8,8; 76:16</p> <p>valued (3)</p> <p>27:13;36:24;55:15</p> <p>values (63)</p> <p>6:24,25;7:20,21; 8:5,10;9:19;19:16; 20:8,21;21:2,16,16; 31:16;32:11,13,21, 22;33:3,10,10,16; 37:4,12,13,22,23; 38:4,4,9,20;39:9,10, 20,22;40:18;41:23; 43:16;44:8;45:3; 49:21;51:11,16; 52:18;53:4,8;56:22; 58:14,24;59:10,11; 64:6,8,10;65:17; 69:17;71:23;72:4,5; 74:9,10;77:10,12</p> <p>valuing (2)</p> <p>13:8;46:15</p> <p>varies (1)</p> <p>52:8</p> <p>variety (1)</p>	<p>24:21</p> <p>Vegas (2)</p> <p>3:8;11:11</p> <p>verifiable (1)</p> <p>18:6</p> <p>verification (2)</p> <p>15:8,25</p> <p>verifying (1)</p> <p>15:2</p> <p>versus (1)</p> <p>8:22</p> <p>view (9)</p> <p>12:25;13:9;18:3,4; 19:11;20:8,13,15; 81:6</p> <p>views (1)</p> <p>29:13</p> <p>Village (23)</p> <p>5:19;6:2,5;18:4; 22:13;24:12;27:4,19, 24,25;28:15,23;29:7; 31:13;39:19;41:16; 43:1;49:23;50:9; 56:10,12;67:16; 76:10</p> <p>Village/Crystal (6)</p> <p>27:1;30:12;32:1; 41:6;55:12;62:5</p> <p>violate (1)</p> <p>75:6</p> <p>violation (1)</p> <p>36:10</p> <p>virtue (3)</p> <p>37:13;43:13;55:13</p> <p>void (7)</p> <p>30:2;37:8,23;42:4, 23;43:6;49:8</p> <p>voip (2)</p> <p>22:6,6</p> <p>vote (1)</p> <p>79:20</p> <p>W</p> <p>wants (2)</p> <p>27:22;64:20</p> <p>Ware (1)</p> <p>3:20</p> <p>Washoe (46)</p> <p>5:17,25;7:24; 11:22;12:3;14:9,20; 15:7;16:6;17:3,17; 19:16;20:12;21:17; 23:2,24;3:26;7,9,23, 24;28:24;30:5,11; 31:10,19;33:3;38:12, 25;41:16;50:16,19, 19,25;52:19;53:11; 56:11;58:1;59:22; 61:4;62:5;68:3; 72:10;75:23;76:10; 77:15;79:7</p> <p>water (2)</p>	<p>33:18,21</p> <p>way (19)</p> <p>20:2,6,14,22; 30:18;46:13;51:6; 55:4;58:19;61:9; 62:8;65:11;66:7; 68:9;70:15;71:23; 73:5,24;77:11</p> <p>ways (1)</p> <p>47:5</p> <p>wear (1)</p> <p>63:9</p> <p>website (1)</p> <p>35:1</p> <p>weren't (8)</p> <p>19:14;20:5;32:15; 51:6;58:24;59:3,7; 69:2</p> <p>what's (4)</p> <p>9:24,24;17:7;72:2</p> <p>whatsoever (1)</p> <p>80:3</p> <p>Whenever (1)</p> <p>33:25</p> <p>whereby (2)</p> <p>22:11;47:20</p> <p>Wilson (34)</p> <p>5:23,24,25;7:19; 8:2,15;10:8,25;11:5, 8,23;13:5;17:14; 19:18,23;20:2,8,24; 21:8,18,24;22:5,10, 19,23;28:12;30:13; 31:24;32:18;37:18; 40:6,8;55:19;78:11</p> <p>Wilson's (1)</p> <p>50:3</p> <p>within (18)</p> <p>6:24;7:21;11:25; 12:6;25:17,25;26:5; 28:20;32:8;50:24; 51:8;52:18,19;70:2; 76:22;78:17,22; 79:10</p> <p>without (6)</p> <p>10:5,19;42:3,6; 51:7;60:10</p> <p>Witnesses (1)</p> <p>4:5</p> <p>wonder (1)</p> <p>57:14</p> <p>wondering (1)</p> <p>46:13</p> <p>word (4)</p> <p>44:22;45:2;51:12, 17</p> <p>words (1)</p> <p>10:13</p> <p>work (9)</p> <p>4:21;13:13;14:13; 16:19;17:12,14;27:9; 31:9;61:18</p> <p>worked (1)</p>	<p>66:3</p> <p>working (1)</p> <p>4:25</p> <p>workshops (1)</p> <p>17:20</p> <p>worried (1)</p> <p>43:22</p> <p>worry (1)</p> <p>64:9</p> <p>worrying (1)</p> <p>43:23</p> <p>worth (2)</p> <p>10:20;63:4</p> <p>WREN (86)</p> <p>3:3,5,12,21;4:7; 5:9,13,22;7:13,25; 8:3;9:22;10:12;11:1, 6,9,20;12:14,16,18; 19:13,19,24;20:4,20; 21:7,13,19;22:1,20, 24;23:5;25:20;26:12; 27:21;28:5;33:20,23; 34:8,12,16,21,24; 35:5;38:1,11,18; 39:14,25;40:3,11,24; 42:9;44:5;45:18; 47:13;49:14;50:12; 53:13,24;54:1;55:18; 56:4;58:4;63:18,21, 25;65:24;70:21,25; 73:2,22;74:24;75:7, 12;77:6,19,24;78:3, 14;79:14,17,21; 80:15;81:11,19</p> <p>writ (10)</p> <p>46:1,8;54:6;71:12, 22;72:21;74:13; 75:21;81:1,4</p> <p>wrong (7)</p> <p>36:14;38:10;40:10; 42:16;57:1;64:4;69:5</p> <p>wwwlegstatenvus (1)</p> <p>35:1</p> <p>Y</p> <p>yay (1)</p> <p>66:25</p> <p>year (35)</p> <p>6:7,8,9,11,16,18, 19,21;7:18,22;8:1, 12;9:21;4,6,9,12,12; 23:24;27:3;28:16; 29:8;30:7;32:1,2,7, 24;36:22;38:15,19; 39:7;52:10;57:23; 61:1;79:11,13</p> <p>years (40)</p> <p>4:19;5:15,20;7:5; 9:1,6;13:12;14:4,7; 16:20,25;21:5,17; 34:7;37:7;43:2; 44:12;45:21;47:9;</p>	<p>48:12;52:8;55:10; 56:9,15,15;57:15; 58:12,19;60:7,10; 64:24;65:3;67:18,22; 69:21;70:11;73:14; 74:3;76:13;80:9</p> <p>Z</p> <p>zero (1)</p> <p>68:7</p> <p>0</p> <p>0 (1)</p> <p>76:12</p> <p>02 (1)</p> <p>20:10</p> <p>02-03 (7)</p> <p>17:12;33:10;40:7; 49:21;50:2,5,9</p> <p>03 (2)</p> <p>8:7;38:19</p> <p>03-04 (11)</p> <p>6:13;8:14;21:6,11; 40:18;43:2;56:9; 57:25;58:2;76:11,12</p> <p>04 (2)</p> <p>8:7;38:19</p> <p>04-05 (6)</p> <p>6:13,19;43:2; 57:23;58:2;76:12</p> <p>05 (1)</p> <p>8:7</p> <p>05-06 (12)</p> <p>6:13,20;31:15; 43:3;50:2;56:9,11; 57:14,23;58:3;76:12, 12</p> <p>06 (1)</p> <p>20:19</p> <p>06-07 (1)</p> <p>31:15</p> <p>06922 (1)</p> <p>75:25</p> <p>07 (1)</p> <p>20:19</p> <p>07-08 (1)</p> <p>31:15</p> <p>08 (1)</p> <p>50:5</p> <p>09 (1)</p> <p>63:17</p> <p>1</p> <p>1,001 (1)</p> <p>14:1</p> <p>1.08 (3)</p> <p>6:14;21:22;40:8</p> <p>1.5 (1)</p> <p>76:21</p> <p>1.8 (2)</p>
--	--	---	--	---

State of Nevada - State Board of Equalization  
Public Meeting

Monday  
December 3, 2012

7:16;39:15 1.9 (1) 72:10 100 (2) 73:5;76:8 11:37 (1) 81:23 12 (1) 78:17 1200 (1) 10:16 12-month (1) 78:23 145 (1) 33:2 15 (1) 22:3 16 (1) 79:3 1967 (1) 47:19	5:19 2005 (2) 26:22;27:18 2005-2006 (1) 6:8 2005-6 (2) 5:20;31:5 2006 (5) 14:22;17:4;30:4; 31:4;34:6 2006-7 (3) 8:16;33:13;49:20 2007 (2) 8:18;17:22 2007-8 (1) 8:17 2008 (1) 17:24 2009 (2) 14:22;30:9 2010 (6) 17:2;34:3,6,14; 35:9;54:5 2010-11 (1) 23:25 2011 (1) 17:2 2012 (8) 3:1,5,5:21;14:4; 17:2;30:4,23;61:20 2012-2013 (1) 59:5 20th (1) 48:13 28th (1) 6:6	361.650 (1) 52:25 361.652 (5) 24:23;44:15;45:20; 54:15;55:21 361.654 (1) 55:23 361.667 (1) 52:25 363.3952 (1) 76:17 3rd (1) 3:5		
2		4		
2,000 (3) 7:15,25;32:17 20 (2) 14:9;15:6 2000s (1) 21:1 2001-2 (1) 23:25 2002 (14) 7:1,14;8:5;20:8; 28:16;29:7;31:16; 32:7,10;33:7;37:14; 39:6;48:15;52:10 2002-2003 (11) 6:12;7:15;19:13; 20:6,21;24:2;32:1; 34:9;37:3;39:15; 58:14 2002-3 (6) 33:4;35:15,25; 38:9;39:20;43:17 2003 (11) 6:7;7:1,25;19:5; 21:2;30:18,19;31:4; 34:6;37:14;46:14 2003-2004 (6) 6:10;7:15;8:1; 19:25;20:21;38:5 2003-4 (13) 5:19;26:6;29:8; 32:4,17,20,21,23; 33:3,4,12;37:19; 57:22 2004 (7) 6:7;17:21;30:10; 57:12,14,21;59:4 2004-2005 (1) 6:8 2004-5 (1)		40 (1) 15:6 4th (1) 57:12		
		5		
		50 (2) 32:3;33:6 564 (1) 6:21 59 (3) 14:20;15:4,9 5th (3) 5:21;6:1;37:3		
		6		
		657 (1) 6:20 698 (1) 6:18		
	3			
	3 (4) 3:1;7:24;12:2,4 32 (2) 25:17,18 33 (1) 17:20 34.4 (1) 26:23 34.5 (2) 24:4;26:8 35 (6) 12:2;24:5;32:3; 45:10;54:23;55:25 36 (2) 25:17,18 361.227 (1) 45:11 361.228 (1) 19:10 361.333 (5) 23:19;25:10,16; 26:17;47:15 361.3952 (2) 74:17;75:6	9		
		9:03 (1) 3:1 93 (1) 20:12 98-99 (2) 21:4,12 9th (1) 14:4		

Nevada Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701-4717

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

EXHIBIT 2

EXHIBIT 2

**ADOPTED REGULATION OF THE**

**NEVADA TAX COMMISSION**

**LCB File No. R031-03**

Effective August 4, 2004

EXPLANATION – Matter in *italics* is new; matter in brackets ~~(omitted material)~~ is material to be omitted.

AUTHORITY: §§1-24 and 26-31, NRS 360.090 and 360.250; §25, NRS 360.090, 360.250 and 361.2445.

A REGULATION relating to taxation; revising provisions governing the determination of the taxable value of real and personal property; making various other changes governing the taxation of real and personal property; and providing other matters properly relating thereto.

**Section 1.** Chapter 361 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 13, inclusive, of this regulation.

**Sec. 2.** *As used in NAC 361.030 to 361.580, inclusive, 361.778 and 361.800, and sections 2 to 13, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 4, 8, 9 and 10 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Abstraction method” means a method of estimating the value of land by subtracting from the sales prices of improved parcels the full contributory value of all items attributable to the value of the improvements, thus yielding estimates of the residual or remainder value of the land.*

**Sec. 4.** *“Actual age” means the total number of years from the year of the construction of an improvement to the year of the lien date for the taxes which it affects.*

**Sec. 5.** *"Allocation method" means a method used to value land, in the absence of sales of vacant land, by estimating, from sales of comparable improved properties, a typical ratio of land to total value and applying that ratio to the improved property being analyzed to determine the value that the land contributes to the total value of the property.*

**Sec. 6.** *"Capitalization of ground rents" means the estimation of the value of land in the absence of comparable sales by capitalizing the revenue from market-rate leases of land.*

**Sec. 7.** *"Cost of development method" means a method used to estimate the value of undeveloped land in which direct and indirect costs and entrepreneurial profit are deducted from an estimate of the probable proceeds to be obtained from selling the land as developed parcels and the resulting net income is discounted to a present value at a market-derived rate.*

**Sec. 8.** *"Cost of replacement" means the estimated cost to construct an improvement with utility similar to the improvement being appraised, using modern materials and current standards, design and layout.*

**Sec. 9.** *"Depreciation" means, except as otherwise provided in NAC 361.266, a loss in the value of real or personal property from any cause.*

**Sec. 10.** *"Improvement" means all appurtenances erected upon or affixed to the land, including, without limitation, those improvements listed in paragraphs (a) and (b) of subsection 1 of NRS 361.035.*

**Sec. 11.** *"Land residual technique" means a method used to estimate the value of land from a knowledge of normal net income, the discount rate, the remaining economic life of the property and the full contributory value of any improvements and nonrealty items. The method isolates a measurable income stream attributable to the improvements and then estimates the value of the land by capitalizing the income stream attributable to the land.*

**Sec. 12. 1.** *In determining the initial taxable value of an improvement, the rate of depreciation is set forth in NRS 361.227.*

*2. If obsolescence, deterioration or wear and tear causes the taxable value calculated pursuant to subsection 1 to exceed the full cash value of the improvements, the additional depreciation and obsolescence may be calculated separately.*

**Sec. 13. 1.** *If the county assessor is not able to use the sales comparison approach for vacant land pursuant to NAC 361.118 because sufficient sales of comparable properties which were vacant land at the time of sale are not available, the county assessor may determine valuation through any of the following methods:*

*(a) Abstraction method;*

*(b) Land residual technique;*

*(c) Capitalization of ground rents;*

*(d) Cost of development method; and*

*(e) Allocation method, if the properties are substantially similar.*

*2. The use of sales of comparable improved properties pursuant to subsection 1 is subject to the provisions of NAC 361.118 and the following:*

*(a) Sales of comparable improved properties must be adjusted to remove the full contributory value of all items attributable to the improvement of vacant land, including, without limitation, improvements, direct and indirect costs, soft costs, entrepreneurial profit, and personal property and other nonrealty components of value.*

*(b) The complete obsolescence of an improvement for purposes of analyzing the sales price of a comparable improved property is best determined when the improvement is demolished or removed, but may be considered when:*

*(1) Sufficient evidence demonstrates an intention to demolish or remove the improvement, which evidence may include, without limitation, evidence that:*

*(I) A permit has been issued for the demolition of the improvement;*

*(II) A disclosure concerning the demolition or removal of the improvement has been filed with the Securities and Exchange Commission;*

*(III) An order has been issued for the condemnation of the improvement; or*

*(IV) Construction and development financing has been obtained with respect to the comparable property which establishes that the demolition or removal of the improvement is intended; and*

*(2) No occupancy or no use is established before the completion of the demolition or removal of the improvement.*

*(c) Sales of comparable improved properties may be used in determining valuation regardless of whether the complete obsolescence of an improvement may be determined or considered pursuant to paragraph (b).*

**Sec. 14.** NAC 361.062 is hereby amended to read as follows:

361.062 Pursuant to NRS 361.170, each claim for an exemption for personal property in transit must be made on a ~~{Nevada Tax Commission Form WR-1 or on an equivalent}~~ form approved by the Commission. Such a claim must be filed with the office of the county assessor of each county in which a warehouse is located, when the personal property in transit is first consigned to the warehouse and by the first day of July of each year thereafter.

**Sec. 15.** NAC 361.065 is hereby amended to read as follows:

361.065 1. All tangible personal property *which* is purchased by a business *and* which is claimed to be exempt pursuant to paragraph (d) of subsection 1 of NRS 361.068 must be

consumed during the operation of the business and must not be intended to become a component part of a manufactured item for sale or lease.

2. The personal property for which such an exemption is claimed must be material that is:

(a) Used up, drained, absorbed, dissipated or expended during the normal day-to-day operation of the business;

(b) Characterized by its individual low cost in relation to the other more expensive fixed assets of the business;

(c) Disposable, with a generally useful life of less than 1 year; and

(d) Not meant for resale.

3. Tangible personal property *which is* consumed by a business *and* to which this exemption applies may include, without limitation, envelopes, pens, copy paper, paper clips, toner, tape, rubber gloves, masks, cyanide, janitorial supplies, bathroom tissue, light bulbs, playing cards, dice, napkins, straws, "doggie bags," paper bags, wrapping materials, register tape, packaging supplies, invoices, Styrofoam, tires or batteries.

4. This exemption does not apply to any tangible personal property which is required to be depreciated for federal income tax purposes.

**Sec. 16.** NAC 361.106 is hereby amended to read as follows:

361.106 As used in NAC 361.106 to ~~{361.132}~~ 361.1315, inclusive, *and sections 3, 5, 6, 7, 11, 12 and 13 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC ~~{361.108}~~ 361.1125 to 361.117, inclusive, *and sections 3, 5, 6, 7 and 11 of this regulation* have the meanings ascribed to them in those sections.

**Sec. 17.** NAC 361.113 is hereby amended to read as follows:



361.113 "Improved land" means land on which there is an improvement ~~[of substantial value.]~~ *sufficient to allow the identification of or establish actual use.*

**Sec. 18.** NAC 361.118 is hereby amended to read as follows:

361.118 ~~[In making a physical appraisal, each]~~

1. *Except as otherwise provided in section 13 of this regulation, a county assessor shall determine the full cash value of land by ~~[using market data or a comparative approach to valuation. If sufficient market data is not available, the county assessor may use one of the following procedures:~~*

~~1. Allocation (abstraction) procedure: An allocation of the appraised total value of the property between the land and any improvements added to the land.~~

~~2. Anticipated use or development procedure: An estimate of the value of undeveloped land which has the potential for development, determined by deducting from the value of the parcel as fully developed the cost of the development of the site, overhead, the expenses of sales and any profit. The remaining portion is attributable to undeveloped land.~~

~~3. Land residual technique: The income from a property is split between the land and any improvements so that the portion allocated to land can be capitalized into value.]~~ *applying the sales comparison approach as follows:*

*(a) The county assessor shall adjust the sales prices or unit values of comparable properties as necessary to eliminate differences between the comparable properties and the subject property that affect value. The adjustments:*

*(1) Must be mathematical changes made to the sales prices or unit values of the comparable properties to account for differences in elements of comparison between the comparable properties and the subject property;*

*(2) May be made only to the comparable properties, not to the subject property; and*

*(3) May be made by adding or subtracting lump-sum dollar values, or by applying positive or negative percentage differentials, to the sales prices or unit values of the comparable properties.*

*(b) The elements of comparison between the comparable properties and the subject property that may be used by the county assessor include, without limitation, the real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, size, zoning or use, governmental restrictions and nonrealty components of value.*

*(c) If the subject property is improved land, the comparable properties must have a use that is consistent with that of the improved land.*

*(d) The elements of comparison used and adjustments made by the county assessor must be identifiable and supported by verifiable market data.*

*(e) After adjusting the comparable properties for differences that affect value, the county assessor shall analyze the range of adjusted sales prices of the comparable properties to arrive at an estimate of value for the subject property.*

*(f) If it is necessary to make an adjustment to recognize the view influence or any other property attribute associated with the subject property, the county assessor shall:*

*(1) Make a physical determination of the view influence from the land of each respective view parcel. The county assessor shall make the view influence determination from any area on the parcel that is capable of development. This would exclude legally required setbacks or portions of the parcel subject to applicable land use restrictions or applicable deed restrictions that prohibit development.*

*(2) Upon the request of the owner, provide to the owner as soon as practicable, but not later than 15 days after receiving the request, current market evidence for each adjustment for the view influence or other property attribute. In a county whose population is 40,000 or more, "current market evidence" as used in this subparagraph means sales data concerning sales of improved or unimproved parcels that occurred during the 36-month period immediately preceding July 1 of the year before the lien date, unless the Commission has approved the petition of the county assessor to consider sales that occurred before that 36-month period.*

*(3) Upon the request of the owner, provide to the owner as soon as practicable, but not later than 15 days after receiving the request, a comprehensive written analysis describing the adjustment, whether attributable to the view influence or other property attribute, so that the taxpayer can determine whether the value of the parcel has been appropriately adjusted by the county assessor.*

*(4) Consider whether an adjustment is necessary because of impairments caused by obstructions or aesthetic criteria, including, without limitation, tree growth, utility lines, water tanks or the presence of other improvements.*

*2. In determining whether the sales price of each comparable property is representative of the full cash value of the subject property, the county assessor must acquire sufficient sales data concerning the comparable property. The sales data may include, without limitation:*

- (a) The total amount paid for the property and the terms of sale;*
- (b) The names and contact information of the buyer and seller;*
- (c) The relationship of the buyer and seller;*
- (d) The legal description, address and parcel identifier of the property;*

*(e) Information concerning the type of transfer that is sufficient to enable the county assessor to determine whether the transfer was at arm's length;*

*(f) The length of time the property was on the market;*

*(g) The extent of the interest transferred to the buyer;*

*(h) The nature of nonrealty items; and*

*(i) The date of the transfer.*

*3. The county assessor may determine the accuracy of the sales data acquired pursuant to subsection 2 by:*

*(a) Contacting the buyer, seller, title company or any other knowledgeable participant in the transaction;*

*(b) Using sales questionnaires;*

*(c) Conducting personal interviews; or*

*(d) Reviewing declarations of value.*

*☛ The county assessor shall disclose to each person he contacts for information pursuant to this subsection that the information provided by the person will only be used to establish value for the purposes of property taxation.*

*4. The following types of sales may provide unreliable information regarding full cash value and require additional verification to determine whether the sale represents full cash value:*

*(a) Sales involving governmental agencies and public utilities;*

*(b) Sales involving charitable, religious or educational institutions;*

*(c) Sales involving financial institutions;*

*(d) Sales between relatives or corporate affiliates;*

*(e) Sales of convenience, including, without limitation, a sale intended to correct a flaw in title;*

*(f) Sales settling an estate;*

*(g) Forced sales, including, without limitation, a sale resulting from judicial order; and*

*(h) Sales involving doubtful title.*

*5. The county assessor may sort sales and other market data into homogeneous groups to reflect different market influences and variations in zoning, other land-use controls and probable use, and to ensure that land values will reflect market data for parcels with similar or competitive uses in the same area.*

**Sec. 19.** NAC 361.122 is hereby amended to read as follows:

361.122 ~~In determining the full cash value of improved land consistently with the use to which the improvements are being put:~~

~~1. If the improvements are being put to a use consistent with the zoning and general use of land in the surrounding area, the value of the land to be appraised must be consistent with the values determined for adjacent land or land similar in location, size, shape and topography;~~

~~2. If the improvements are:~~

*1. If improved land is being put to a use not consistent with the zoning of the land or with the general use of land in the surrounding area, for both, the value of the improved land to be appraised must be consistent with the values determined for the nearest land:*

~~(a) Whose improvements are put to the same or a similar use in an area where that use is consistent with the zoning and general use of land in the surrounding area; and~~

~~(b) Which is similar in size, shape, location and topography;~~

~~3. must be established by considering the value of land that:~~

*(a) Is most comparable to the improved land;*

*(b) Has the same or a similar use; and*

*(c) Is affected by the same or similar restrictions.*

2. The area of land to be valued according to the use of the improvements is the area actually covered by the improvement, plus the surrounding area necessary to the use of the improvement. Any additional land must be valued as *if* vacant.

**Sec. 20.** NAC 361.123 is hereby amended to read as follows:

361.123 As used in NAC 361.123 to 361.1236, inclusive, unless the context otherwise requires:

1. "Contaminated site" means:

(a) Land on which the release of a hazardous substance has been verified pursuant to NAC 361.1232; or

(b) An improvement for which permeation or incorporation into construction by a hazardous substance has been verified pursuant to NAC 361.1232,

→ on or before the assessment date of the property.

2. "Cost-to-cure" means the ~~discounted~~ present value of the remedial work *to be* performed to remove, contain or treat a hazardous substance on the property being valued. The term includes the cost of continued monitoring of the site after the remedial work has been completed if such monitoring is required.

3. "Hazardous substance" means a hazardous material or hazardous waste as those terms are defined in NRS 459.428 and 459.430, respectively.

**Sec. 21.** NAC 361.1234 is hereby amended to read as follows:

361.1234 In determining, pursuant to NRS 361.227, the full cash value of property that has been determined by the assessor to be a contaminated site:

1. The sales comparison approach may be used by comparing verified sales of similarly contaminated sites;
2. Where applicable, the income approach may be used by utilizing rent, vacancy and expense data derived from a survey of similarly contaminated sites with similarly used improvements; or
3. Where no sales or rental market exists for similarly contaminated properties:
  - (a) The ~~cash~~ value of the property for a specific use, or a specific user, reflecting the extent to which the property contributes to the utility or profitability of the enterprise of which it is a part may be determined by using the income approach ~~+~~, *except that the value so determined must not exceed the full cash value of the property*; or
  - (b) The present worth of the contaminated site may be determined by:
    - (1) Discounting the present worth of the property if it was contaminated by an off-site source or the cost-to-cure is not being borne by the current owner, or both, on the basis of the length of the delay caused by the contamination until the property can be developed to its highest and best use, readily sold or financed on the open market; or
    - (2) Using the present cash equivalency which represents the future reversionary value of the contaminated site after it is cleaned up to an extent that it is usable or developable to its highest and best use less the present worth of the yearly costs-to-cure if the current owner is incurring the remedial costs and an accurate forecast of the year-to-year costs to be incurred and the estimated date of the completion of the cleanup are available.

**Sec. 22.** NAC 361.124 is hereby amended to read as follows:

361.124 In determining the actual age of:

1. An improvement or newly constructed addition to an existing improvement, the county assessor shall use the actual ~~date~~ *year* of construction, if it is available, or else an estimated ~~date~~ *year* of construction.

2. An improvement that has been constructed over a period of years, the county assessor shall use the weighted average age of the improvement.

**Sec. 23.** NAC 361.128 is hereby amended to read as follows:

361.128 1. The cost of replacement of an improvement must include all costs for labor, materials, supervision, contractor's profit and overhead, architect's plans and specifications, sales taxes and insurance.

2. In determining the costs of an improvement, the county assessor shall:

(a) For rural buildings, use the standards in the ~~assessor handbook~~ *manual* entitled *Rural Building Costs* adopted by the Commission.

(b) For other improvements, use the standards in the cost manuals, including modifiers of local costs, published through or furnished by the Marshall and Swift Publication Company, as they existed on October 1 of the year preceding the ~~current~~ *closure of the roll for the appropriate* assessment year, if the Executive Director approves it for use by county assessors in determining the costs of improvements. A computer program for determining cost furnished by the Marshall and Swift Publication Company may also be used. Other computer programs for determining cost which are based on costs published by the Marshall and Swift Publication Company may be used with the prior approval of the Executive Director.

3. If ~~these manuals are not applicable,~~ *the manuals described in subsection 2 do not apply to improvements of a particular occupancy or construction type*, the county assessor may ~~use~~



~~the other~~ apply to the Executive Director for permission to use alternative recognized cost manuals, cost determinations or subscription services. ~~[with the prior approval of the Executive Director of the Department.]~~ *If the Executive Director finds that the manuals described in subsection 2 do not apply to such improvements and that the alternative recognized cost manuals, cost determinations or subscription services are suitable, the Executive Director shall approve the use of the alternative recognized cost manuals, cost determinations or subscription services and notify each county assessor of that approval. The Executive Director shall submit to the Commission annually a list of the alternative recognized cost manuals, cost determinations and subscription services that the Executive Director has approved for use.*

4. The Executive Director shall review the standards and modifiers published or furnished by the Marshall and Swift Publication Company as soon as practicable after they become available, to determine their suitability for use by county assessors. If he finds it to be suitable, the Executive Director shall approve the use of the standard or modifier and notify each county assessor of that approval.

**Sec. 24.** NAC 361.129 is hereby amended to read as follows:

361.129 1. A parcel must be appraised as provided by paragraph (b) of subsection 2 of NRS 361.227 and NAC 361.1295 if:

(a) It is one of a group of ten or more contiguous parcels held under common ownership; ~~on~~  
~~the date of the appraisal;~~

(b) A final map, ~~or~~ a series of final maps *or one or more subdivision maps* covering the area containing the parcel has been presented to the county recorder for filing in the manner provided by NRS 278.360 to 278.460, inclusive, or the parcel is assessable property in an improvement district created pursuant to chapter 271 of NRS;

(c) The owner of the parcel provides the county assessor with whatever information the assessor deems necessary to determine the taxable value of the parcel; and

(d) The county assessor determines that the group of parcels affected has an expected absorption period of more than 1 year.

2. For the purposes of this section:

(a) The owner of a parcel is the person or entity shown as such in the records of the county recorder.

(b) A parcel is contiguous with other parcels held under common ownership even if it is separated from those parcels:

(1) By an easement, right-of-way, street, highway or other obstruction; or

(2) By one or more parcels held by third persons, if the parcels so held are in the same phase or section of a development.

(c) A parcel is not contiguous with other parcels held under common ownership, though they share a common boundary, if they are in different phases or sections of a development.

**Sec. 25.** NAC 361.130 is hereby amended to read as follows:

361.130 1. The taxable value of a mobile home *or manufactured home* which constitutes real property is the cost of replacement of the mobile home *or manufactured home* less depreciation and obsolescence.

2. In determining the taxable value of a mobile home *or manufactured home* which constitutes personal property, each county assessor shall, if the mobile home *or manufactured home* was sold as new:

(a) Before July 1, 1982, value it at its retail selling price when sold to the original owner less depreciation at 5 percent per year, to a maximum depreciated value of 20 percent of its original retail selling price.

(b) On or after July 1, 1982, value it at replacement cost, when new, less depreciation. Replacement cost when new is the retail selling price to the original owner adjusted by factors reflected in the annual *Personal Property Manual*.

→ Depreciation must be calculated pursuant to the schedule located in the annual *Personal Property Manual*. *Additional depreciation and obsolescence may be calculated separately.*

3. The retail selling price of a mobile home *or manufactured home* includes all charges for transportation, installation ~~and accessories~~, *accessories, profit and overhead.*

4. *If the owner of a mobile home or manufactured home which has been converted to real property wishes to convert the mobile home or manufactured home back to personal property, the county assessor shall provide the owner with a form for an affidavit of conversion which has been approved by the Commission and which must be recorded in the county recorder's office pursuant to NRS 361.2445 before the mobile home or manufactured home may be removed from the tax rolls. The affidavit of conversion may include information concerning the cost of acquisition of the mobile home or manufactured home. All signatures required pursuant to NRS 361.2445 to effectuate the conversion must be notarized.*

5. *The county assessor shall value the mobile home or manufactured home as personal property upon satisfaction of all the requirements set forth in NRS 361.2445 if the mobile home or manufactured home remains within the jurisdiction of the county assessor.*

**Sec. 26.** NAC 361.1305 is hereby amended to read as follows:

361.1305 1. The taxable value of a billboard is the cost of replacement of the billboard less depreciation and obsolescence.

2. The cost of replacement of a billboard must be computed by multiplying the cost of acquisition to the current owner by the appropriate factor located in the annual *Personal Property Manual*. The factor that corresponds to the year the billboard was acquired must be used.

~~3. The depreciation of a billboard must be calculated as:~~

~~(a) For fiscal year 1990-1991, 5 percent of the cost of replacement for each year after the year of acquisition up to a maximum of 75 percent of the cost of replacement.~~

~~(b) For fiscal year 1991-1992, 3.5 percent of the cost of replacement for each year after the year of acquisition up to a maximum of 75 percent of the cost of replacement.~~

~~(c) Beginning with fiscal year 1992-1993, 1.5 percent of the cost of replacement for each year after the date of acquisition up to a maximum of 50 years.~~

~~Additional depreciation and obsolescence may be calculated separately.~~

**Sec. 27.** NAC 361.131 is hereby amended to read as follows:

361.131 If the initially determined taxable value for any real property is found to exceed the full cash value of the property, the person determining taxable value shall examine the taxable value determined for the land, and, if the land is properly valued, he shall appropriately reduce the taxable values determined for the improvements. *If any further reduction is needed, the value of the land may also be reduced.*

**Sec. 28.** NAC 361.144 is hereby amended to read as follows:

361.144 1. Each county assessor shall:

(a) Establish geographic boundaries for areas of appraisal or establish areas by other classifications within which all property must be reappraised at the same time; and

(b) Establish ~~[as of January 1 of each year]~~ *not later than July 1 of the year immediately preceding the assessment year*, the standards of valuation, including data on comparable sales, ~~[modifiers of local cost, costs of construction and rates of capitalization]~~ to be used throughout the year's cycle of reappraisal.

2. These areas of appraisal may be changed to alleviate problems created by growth or other circumstances if the county assessor shows good cause and receives the approval of the Commission.

**Sec. 29.** NAC 361.146 is hereby amended to read as follows:

361.146 Whenever property is ~~[physically]~~ reappraised, the county assessor shall indicate all the data necessary to determine the taxable value of the property, the date of the field inspection, *if any*, and the identity of the appraiser. The actual age and the depreciation of the existing improvements and any additions to those improvements must be clearly indicated.

**Sec. 30.** NAC 361.152 is hereby amended to read as follows:

361.152 1. ~~[A.]~~ *The assessment list for a county* ~~[published in a newspaper by a county assessor pursuant to subsection 3 of NRS 361.300]~~ must include:

- (a) The parcel number of each property;
- (b) The name of the owner of each property;
- (c) The year of the last ~~[physical]~~ reappraisal of each property at which time the taxable value of the property was determined; and
- (d) The assessed value of the land, improvements and personal property, separately stated.

2. The county assessor shall submit a copy of the ~~[newspaper in which the]~~ assessment list ~~[is published]~~ to the Department immediately following publication ~~[-]~~ or delivery to taxpayers pursuant to subsection 3 of NRS 361.300.

3. *For the purposes of paragraph (a) of subsection 3 of NRS 361.300, the Commission will interpret the term "each taxpayer in the county" as used in that paragraph to mean each taxpayer who resides in the county. A county assessor who causes a copy of the assessment list to be delivered to each taxpayer who resides in the county shall cause a copy of the assessment list to be delivered to any other taxpayer who owns property in the county if that taxpayer requests a copy of the assessment list.*

Sec. 31. NAC 361.075, 361.108, 361.110, 361.112, 361.114, 361.120, 361.126, 361.132 and 361.149 are hereby repealed.

---

#### TEXT OF REPEALED SECTIONS

---

**361.075 Property for construction of church or chapel. (NRS 360.090, 361.125)**

1. Application for an exemption pursuant to subsection 3 of NRS 361.125 must be made to the county assessor by June 15 of each year.

2. The application must include:

(a) A copy of the lease agreement of the property presently occupied;

(b) One or more documents of the purchase or gift of the vacant land to be used for a church building; and

(c) A statement indicating that it is the intent of the religious organization to construct a building within the following 3 years.

3. If a church or chapel is not constructed by the end of the third year of exemption or if the property is sold, the exemption is voided and taxes must be paid for the years in which the exemption was claimed.

**361.108 "Actual age" defined. (NRS 360.090, 360.250)** "Actual age" means the total number of years from the date of the construction of an improvement to the lien date for the taxes which it affects.

**361.110 "Cost of replacement" defined. (NRS 360.090, 360.250)** "Cost of replacement" means the total cost of replacing a property with one which has the same function or use.

**361.112 "Depreciation" defined. (NRS 360.090, 360.250)** "Depreciation" means a reduction in the value of a property.

**361.114 "Improvement" defined. (NRS 360.090, 360.250)** "Improvement" means all appurtenances erected upon or affixed to the land, including those improvements listed in paragraphs (a) and (b) of subsection 1 of NRS 361.035.

**361.120 Agricultural land. (NRS 360.090, 360.250, 361.227, 361.325)** In determining the full cash value of land actually used for agricultural purposes and not valued pursuant to chapter 361A of NRS, each assessor shall determine separately:

1. Its valuation for agricultural purposes pursuant to paragraph (b) of subsection 1 of NRS 361.325; and

2. Its valuation for other purposes, if any, pursuant to subparagraph (1) of paragraph (a) of subsection 1 of NRS 361.227.

➤ The assessor shall then apply the higher of the two values so determined.

**361.126 Newly constructed additions to existing improvements. (NRS 360.090, 360.250, 361.227)**

1. In determining the value of a newly constructed addition to an existing improvement, a county assessor shall consider the cost of replacement of the entire improvement.

2. In determining the percentage of depreciation of a newly constructed addition to an existing improvement, a county assessor may:

(a) Apply a rate of depreciation to the newly constructed addition and a rate of depreciation to the existing improvement; or

(b) Weight the age or the rate of depreciation for the existing improvement and the newly constructed addition.

**361.132 Reference material. (NRS 360.090, 360.250, 361.227)**

1. A copy of the tables of typical life expectancies and the manuals of costs published through the Marshall and Swift Publication Company may be obtained from:

Marshall and Swift Publication Company

1617 Beverly Boulevard

Los Angeles, California 90026

2. The costs of these tables and manuals are:

Marshall Valuation Service	\$86
Residential Cost Handbook	39

**361.149 Time for assessing property under construction and mobile homes. (NRS 360.090, 360.250, 361.260)**



1. Each year the county assessor may assess real property which is under construction as of July 1 of the year preceding the fiscal year for which taxes are levied, either upon the secured or unsecured rolls for that fiscal year.

2. Mobile homes which are not migratory property and which enter the county on or after July 1 of each year must be assessed upon the unsecured roll of the next ensuing fiscal year.

**NOTICE OF ADOPTION OF PROPOSED REGULATION**  
**LCB File No. R031-03**

The Nevada Tax Commission adopted permanent regulations pertaining to Chapter 361 of the Nevada Administrative Code, LCB File No. R031-03, amending the valuation and assessment administration procedures of county assessors and the Department of Taxation related to property taxes. These procedures include the valuation of land through the appropriate use of the sales comparison approach and other approaches to value; the process for approval of cost manuals; the valuation of manufactured housing; and the delivery of assessment lists. The amended regulations were adopted on June 25, 2004.

**Notice date:** 5/26/2004  
**Hearing date:** 6/25/2004

**Date of adoption by agency:** 6/25/2004  
**Filing date:** 8/4/2004

**INFORMATIONAL STATEMENT**

The following statement is submitted for amendments, additions and deletions, to Nevada Administrative Code (NAC) Chapter 361 adopted by the Nevada Tax Commission, including the ten-year review of NAC Chapter 361, NAC 361.004 through 361.132 and 361.144 through 361.155.

1. **A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
August 6, 2003	Workshop	August 25, 2003	394	251
September 2, 2003	Workshop	September 17, 2003	394	251
September 2, 2003	Workshop	October 7, 2003	394	251
September 2, 2003	Workshop	October 15, 2003	394	251
September 2, 2003	Workshop	October 22, 2003	394	251
September 2, 2003	Workshop	October 29, 2003	394	251
September 2, 2003	Workshop	November 5, 2003	394	251
November 3, 2003	Workshop	November 18, 2003	394	251
November 3, 2003	Workshop	December 2, 2003	394	251
March 24, 2004	Workshop	April 9, 2004	370	213
April 20, 2004	Workshop	May 6, 2004	370	213

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions subject to these regulations.

Many oral and written comments were received at the workshops. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at [mmjacobs@tax.state.nv.us](mailto:mmjacobs@tax.state.nv.us).

The proposed permanent regulation was submitted to the Legislative Counsel Bureau on May 7, 2004. The Legislative Counsel Bureau completed its review and revisions on June 10, 2004 and a second revision was received on June 14, 2004.

**2. The number persons who:**

**(a) Attended and testified at each workshop:**

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
August 25, 2003	101	17
September 17, 2003	19	16
October 7, 2003	28	19
October 15, 2003	22	10
October 22, 2003	11	5
October 29, 2003	34	15
November 5, 2003	22	15
November 18, 2003	23	20
December 2, 2003	20	15
April 9, 2004	25	16
May 6, 2004	28	15

**(b) Attended and testified at each hearing:**

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
June 25, 2004	5/100	10

**(c) Submitted to the agency written comments:**

<u>Date of Hearing</u>	<u>Number Received</u>
August 25, 2003	1
September 17, 2003	2
October 7, 2003	5
October 15, 2003	1

October 22, 2003	3
October 29, 2003	4
November 5, 2003	1
November 18, 2003	3
December 2, 2003	4
April 9, 2004	3
May 6, 2004	1

28 documents of proposed language changes were submitted to the Department of Taxation.

**3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected and interested businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to assessors and the interested parties list maintained by the Department. Approximately 65% of the approximately 400 direct mail notices were sent to individuals or associations representing business.

Members of the Nevada Tax Commission, officials of the Nevada Department of Taxation, the County Assessors' Association, the Nevada Taxpayers Association, the Nevada Mining Association, and members of the general public commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at [mmjacobs@tax.state.nv.us](mailto:mmjacobs@tax.state.nv.us).

**4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The permanent regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Department of Taxation primarily from the County Assessors' Association, Nevada Taxpayers Association, and members of the general public during the workshops listed above. The Nevada Tax Commission adopted the permanent regulation as revised in workshops and at the adoption hearing; and believed no changes other than those made were necessary.



FILED

Electronically

02-14-2013:03:26:22 PM

Joey Orduna Hastings

Clerk of the Court

Transaction # 3533474

1 2610  
2 DAVID C. CREEKMAN  
3 Chief Deputy District Attorney  
4 Nevada State Bar Number 4580  
5 P. O. Box 30083  
6 Reno, NV 89520-3083  
7 (775) 337-5700  
8 ATTORNEYS FOR WASHOE COUNTY

9 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

10 IN AND FOR THE COUNTY OF WASHOE

11 \* \* \*

12 VILLAGE LEAGUE TO SAVE INCLINE  
13 ASSETS, INC., a Nevada non-  
14 profit corporation, on behalf of  
15 its members, and others  
16 similarly situated,

Case No. CV03-06922

17 Plaintiffs,

Dept. No. 7

18 vs.

19 STATE OF NEVADA, on relation of  
20 its DEPARTMENT OF TAXATION, the  
21 NEVADA STATE TAX COMMISSION, and  
22 the STATE BOARD OF EQUALIZATION;  
23 WASHOE COUNTY; ROBERT MCGOWAN,  
24 WASHOE COUNTY ASSESSOR; BILL  
25 BERRUM, WASHOE COUNTY TREASURER,

26 Defendants.

NOTICE OF WASHOE COUNTY'S CONCURRENCE WITH "STATE BOARD'S REPORT  
ON EXECUTION OF WRIT OF MANDAMUS" AND "EQUALIZATION ORDER"

22 Notice is hereby given that Washoe County concurs with the  
23 status of this case, as set forth in the "State Board's Report on  
24 Execution of Writ of Mandamus," dated February 12, 2013. That  
25 status is further set forth in the "Equalization Order," dated  
26 February 8, 2013, and attached hereto as Exhibit 1. This notice

1 is submitted in accord with the Writ issued in this matter on  
2 August 21, 2012.

3 AFFIRMATION PURSUANT TO NRS 239B.030

4 The undersigned does hereby affirm that the preceding  
5 document does not contain the social security number of any  
6 person.

7 Dated this 14th day of February, 2013.

8 RICHARD A. GAMMICK  
9 District Attorney

10 By /s/ DAVID C. CREEKMAN  
11 DAVID C. CREEKMAN  
12 Chief Deputy District Attorney  
13 P. O. Box 30083  
14 Reno, NV 89520-3083  
15 (775) 337-5700

16 ATTORNEYS FOR WASHOE COUNTY  
17 WASHOE COUNTY ASSESSOR AND  
18 WASHOE COUNTY TREASURER  
19  
20  
21  
22  
23  
24  
25  
26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

SUELLEN FULSTONE, ESQ. for VILLAGE LEAGUE TO SAVE INCLINE ASSETS,  
INC.

DAWN BUONCRISTIANI, ESQ. for STATE BOARD OF EQUALIZATION

/s/ MICHELLE FOSTER  
Michelle Foster



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

EXHIBIT LIST

1. Equalization Order 12-001 dated February 8, 2013.

# EXHIBIT 1

**FILED**  
Electronically  
02-14-2013:03:26:22 PM  
Joey Orduna Hastings  
Clerk of the Court  
Transaction # 3533474

# EXHIBIT 1



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

BRIAN SANDOVAL  
*Governor*

1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7921  
Telephone (775) 684-2160  
Fax (775) 684-2020

CHRISTOPHER G.  
NIELSEN  
*Secretary*

In the Matter of:	)	
Proceedings Regarding Equalization	)	Equalization Order
Of Real Property throughout the State of Nevada	)	12-001
From 2003-2004 Tax Year through	)	
2010-2011 Tax Year	)	

**EQUALIZATION ORDER**

***Appearances***

No one appeared on behalf of Louise Modarelli, a Clark County Taxpayer.

William J. McKean, Esq. of Lionel, Sawyer and Collins appeared on behalf of City Hall, LLC, a Clark County Taxpayer (City Hall).

Jeff Payson and Rocky Steele of the Clark County Assessor's Office and Paul Johnson, Clark County Deputy District Attorney, appeared on behalf of the Clark County Assessor (Clark County Assessor).

William Brooks appeared on behalf of himself, a Douglas County Taxpayer.

Douglas Sonnemann, Douglas County Assessor, appeared on behalf of the Douglas County Assessor (Douglas County Assessor).

Paul Rupp and Dehnert Queen appeared on behalf of Paul Rupp, an Esmeralda County Taxpayer.

Ruth Lee, Esmeralda County Assessor, appeared on behalf of the Esmeralda County Assessor (Esmeralda County Assessor).

Suellen Fulstone, Esq., of the Reno office of Snell and Wilmer, appeared on behalf of the Village League to Save Incline Assets, Inc., et al. (Fulstone)

Joshua G. Wilson, Washoe County Assessor, appeared on behalf of the Washoe County Assessor (Washoe County Assessor).

Terry Rubald appeared on behalf of the Department of Taxation (Department).

## Summary

### Hearings Held September 18, 2012, November 5, 2012, and December 3, 2012

#### *Notice, Agendas, and Attendance*

This equalization action came before the State Board of Equalization (State Board) as a result of a Writ of Mandamus filed on August 21, 2012, Village League to Save Incline Assets, Inc. v. State Board of Equalization, et al. In case number CV-03-06922, the Second Judicial District Court of the State of Nevada, Department 7, commanded the State Board to take such actions as are required to notice and hold a public hearing or hearings, to hear and determine the grievances of property owner taxpayers regarding the failure, or lack, of equalization of real property valuations throughout the State of Nevada for the 2003-2004 tax year and each subsequent tax year to and including the 2010-2011 tax year; and to raise, lower or leave unchanged the taxable value of any property for the purpose of equalization. The first public equalization hearing under the Writ of Mandamus was to be held not more than 60 days after the Writ was issued. See *Record, Writ of Mandamus; Tr. 9-18-12, p. 5, l. 12 through p. 6, l. 8.*

Accordingly, the State Board noticed the public that it would hold an equalization hearing. The notice was placed in 21 newspapers of general circulation throughout the State of Nevada during the week of September 2, 2012, through the Nevada Press Association which has six members that publish daily and 28 members that publish non-daily newspapers. The notice advised that the State Board would hold a public hearing to hear and consider evidence of property owner taxpayers regarding the equalization of real property valuations in Nevada for the period 2003-2004 tax year through 2010-2011 on September 18, 2012 at 1 p.m. in the Legislative Building, Room 3137 in Carson City, Nevada. The notice also advised that video conferencing would be available in Las Vegas, Elko, Winnemucca, Ely, Pahrump, Caliente, Eureka, Battle Mountain, and Lovelock, as well as on the internet. Interested parties could also participate by telephone. See *Tr., 9-18-12, p. 10, ll. 2-18; Record, Affidavit of Publication dated September 11, 2012.* In addition to the published notice, certified hearing notices were sent to Suellen Fulstone, the representative of the Village League to Save Incline Assets, Inc., et al; Richard Gammick, Washoe County District Attorney; and Joshua G. Wilson, Washoe County Assessor.

For the November 5, 2012 hearing, certified notices were sent to all county assessors, as well as the taxpayers or their representatives who presented grievances at the September 18, 2012 hearing. In addition, the State Board posted a notice of hearing on the Department of Taxation's website and sent a general notice to a list of all interested parties maintained by the Department. The notice advised that the purpose of the second hearing was to take information and testimony from county assessors in response to the grievances made by property owner taxpayers regarding the equalization of property valuations in Nevada for the 2003-2004 tax year through 2010-2011. In particular, the State Board requested the Clark, Douglas, Esmeralda, or Washoe County Assessors to respond on the following matters:

- 1.) Classification procedures for agricultural property, with particular information on the classification and valuation of APN 1319-09-02-020 and surrounding properties 1319-09-801-028, 1319-09-702-019, and 119-09-801-004, and in general, the valuation of properties in the Town of Genoa, Douglas County;
- 2.) Valuation procedures used on APN 162-24-811-82 including information regarding the comparable sales used to establish the base lot value of the neighborhood and whether any adjustments were made to the base lot value for this property (Modarelli property in Clark County);
- 3.) Valuation procedures used to value exempt properties and in particular APN 139-34-501-

- 003, owned by City Hall LLC in Clark County;
- 4.) Property tax system in Nevada (Esmeralda County); and
  - 5.) Use of unconstitutional valuation methodologies for properties in Incline Village and Crystal Bay in Washoe County.

The November 5<sup>th</sup> agenda recited that responses were not limited to the itemized topics

For the December 3<sup>rd</sup> hearing, the State Board placed notices in the Reno Gazette Journal and the Incline Bonanza newspapers. In addition, certified notices of the hearing were sent to Suellen Fulstone on behalf of Village League and the Washoe County Assessor, and Washoe County district attorneys for the Washoe County Board of Equalization and Washoe County. A general notice was also sent to the interested parties list of the State Board and placed on the Department of Taxation website. The notice advised that the purpose of the December 3<sup>rd</sup> hearing was to take information and testimony from the Washoe County Assessor in response to the direction of the State Board made at the hearing held on November 5, 2012 regarding equalization for the Incline Village and Crystal Bay area.

At the September 18, 2012 hearing, 95 persons attended the hearing in Carson City, and 7 persons attended from other areas of the state. Twenty-two persons attended the November 5, 2012 hearing; and 17 persons attended the December 3, 2012 hearing. *See Record, Sign-in sheets.*

At the September 18, 2012 hearing, the State Board called upon taxpayers from each county to come forward to bring evidence of inequity. No taxpayers came forward from Carson City, Churchill, Elko, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, or White Pine counties. Grievances were received from Clark, Douglas, Esmeralda, and Washoe counties. At the November 5 and December 3, 2012 hearings, responses from assessors were heard, as well as additional remarks from petitioners.

#### **Clark County Grievances and Responses**

##### *City Hall, LLC Grievance*

The first grievance heard on September 18, 2012 was from City Hall, LLC. City Hall, LLC asserted that the property it purchased had been incorrectly valued for property tax purposes for many years prior to the purchase. Prior to purchase, the property had been exempt. City Hall, LLC asserted that the valuation was based on the 1973 permit value and used as a place holder during the years it was exempt rather than based on the methodologies required by statute and regulation. The taxpayer asked the State Board to order the Clark County Assessor to set up an appropriate value for its parcel and any similarly situated parcels; and to allow the taxpayer an opportunity to appeal the value in January, 2013. *See Tr., 9-18-12, p. 11, l. 16 through p. 14, l. 12.*

##### *Response to City Hall, LLC grievance*

At the November 5, 2012 hearing, the Department recommended dismissal of the petition of the particular property of City Hall LLC, because the taxpayer requested the value for the 2012-2013 tax year be declared an illegal and unconstitutional valuation methodology. The year in question was outside the scope of this equalization action; the request appeared to be an attempt to file an individual appeal that would otherwise be considered late, and the State Board would be without jurisdiction to hear the appeal. *See Tr., 11-5-12, p. 12, ll. 1-18.*

The Clark County Assessor responded that City Hall LLC did not own the property until 2012 and the grievance was not covered by the Writ issued by the Court. The Assessor also responded that an individual appeal for the current tax year would have been late and questioned whether the State

Board had jurisdiction if this was an individual appeal. *See Tr., 11-5-12, p. 13, l. 16 through p. 14, l. 8.*

The State Board ordered the Department to schedule a performance audit investigation to determine whether and how county assessors value property that is exempt. *See Tr., 11-5-12, p. 12, l. 21 through p. 13, l. 4; p. 14, l. 9 through p. 15, l. 10.*

#### *Louise Modarelli Grievance*

Louise Modarelli by telephone call to staff asked the State Board to review the value established for her residential property. Ms. Modarelli had previously appeared before the State Board in case number 11-502, in which she appealed the values established for the years 2007-2012. *See Tr., 9-18-12, p. 16, ll. 12-17; Record, SBE page 1, case no. 11-502.*

#### *Response to Modarelli grievance.*

At the November 5, 2012 hearing, the State Board noted that Ms. Modarelli's appeal had previously appeared on the State Board's agenda in September 2011; the State Board at that time found it was without jurisdiction to hear the appeal because it was late filed to the State Board and because it was for prior years, and the taxpayer did not provide a legal basis for the State Board to take jurisdiction. *See Tr., 11-5-12, p. 6, ll. 7-13.* In addition, Ms. Modarelli sought relief from payment of penalty and interest for failure to pay the tax from the Nevada Tax Commission and received such relief. *See Tr., 11-5-12, p. 6, ll. 14-25.*

The State Board requested the Clark County Assessor to provide information regarding the comparable sales used to establish the base lot value of the neighborhood and whether any adjustments were made to the base lot value for the subject property. The Clark County Assessor responded by describing how the property was valued; that each lot in the subject property's neighborhood had a land value of \$20,000 per lot and there were no other adjustments to the subject property. The improvement value of \$59,654 was based on replacement cost new less statutory depreciation. The total value of \$79,654 was reduced by the Clark County Board of Equalization to \$50,000. The Clark County Assessor did not find anything in the valuation that was inequitable and recommended dismissal. *See Tr., 11-5-12, p. 9, l. 7 through p. 11, l. 1.* The Department also recommended dismissal because there was no indication provided by the Taxpayer of inequitable treatment compared to neighboring properties. *See Tr., 11-5-12, p. 7, ll. 1-4.*

The State Board accepted the Clark County Assessor and the Department's recommendations to dismiss the matter from further consideration for equalization action. *See Tr., 11-5-12, p. 11, ll. 2-14.*

### **Douglas County Grievances and Responses**

#### *William Brooks Grievance*

On September 18, 2012, William Brooks grieved that parcels in the Town of Genoa, Douglas County, suffered from massive disparity of valuations, citing in particular a subject property, APN 1319-09-702-020 and properties surrounding the subject. The Department noted that one of the parcels in question was classified as agricultural property, which was why the parcel was significantly lower in value than other parcels. The Department also noted that a special study had been done on this specific grievance with legislators as part of the reviewing committee in 2004. The study was made part of the record of this equalization hearing. *See Record, William Brooks evidence, page 1 and Record, 2004 Special Study; Tr., 9-18-12, p. 17, l. 8 through p. 21, l. 14.*

### *Response to Brooks Grievance*

At the November 5, 2012 hearing, the Douglas County Assessor responded that the four parcels referenced by Mr. Brooks are located in Genoa, Nevada and all are zoned neighborhood commercial. The zoning affects only one of the four parcels with regard to value. Parcel 1319-09-801-028 is vacant, with no established use. The value is therefore based on its neighborhood commercial zoning. Parcels 1319-09-709-019 and 1319-09-801-004 are both used as residential properties and are valued accordingly, even with the allowed zoning, noting that there is not a lot of valuation difference between commercial and residential valuation in the Genoa Town. Finally, parcel 1319-09-702-0200 is used for grazing as part of a large family ranch. The parcel is not contiguous with the rest of the ranch, which consists of approximately 750 acres in agricultural use, primarily cattle and hay production. The parcel is valued as required by NRS Chapter 361A regarding agricultural properties. See *Tr.*, 11-5-12, p. 16, l. 20 through p. 17, l. 13.

The Assessor further responded that the differences in valuation are primarily the result of differences in use, as well as adjustments for shape and size. In particular, agricultural use property is based on an income approach and the values per acre are established by the Nevada Tax Commission in its *Agricultural Bulletin*. Differences in taxes are also due to the application of the abatement, which is 3 percent for residential property and up to 8 percent for all other property. See *Tr.*, 11-5-12, p. 17, l. 14 through p. 18, l. 7.

The Department further described how the values are established for the *Agricultural Bulletin*. See *Tr.*, 11-5-12, p. 18, l. 22 through p. 20, l. 11.

Mr. Brooks replied that the non-contiguous parcel valued as agricultural land is not owned by the same ranch entity and that as a stand-alone parcel, could not sustain an agricultural use and should not be classified as eligible for agricultural valuation. As a result, adjoining parcels similarly situated are not being treated uniformly. See *Tr.*, 11-5-12, p. 22, l. 20 through p. 23, l. 8; p. 26, l. 11.

The Department recommended that the matter be referred to the Department to be included in a future performance audit regarding the proper classification of agricultural lands. The State Board directed the Department to conduct a performance audit of assessors with regard to the procedures used to properly qualify and classify lands used for agricultural purposes. See *Tr.*, 11-5-12, p. 27, l. 16 through p. 29, l. 6.

### **Esmeralda County Grievances and Responses**

#### *Queen/Rupp Grievance*

Dehnert Queen grieved that the actual tax due has nothing to do with the assessment value. Mr. Queen proposed an alternative property tax system based on acquisition cost to each taxpayer. See *Tr.*, 9-18-12, p. 24, l. 24 through p. 28, l. 2.

#### *Response to Queen/Rupp Grievance*

At the November 5, 2012 hearing, the Esmeralda County assessor noted that Mr. Queen owns no property in Esmeralda County and filed no agent authorization to represent Mr. Rupp. She had no response to Mr. Queen's proposal to go to a fair market value system. See *Tr.*, 11-5-12, p. 29, ll. 18-25. Mr. Queen replied that he and Mr. Rupp had found discrepancies in the listing of Mr. Rupp's property; the actual taxes fluctuate significantly from year to year; and the actual tax has little relationship to assessed value. He briefly described again an alternative property tax system. See *Tr.*, 11-5-12, p. 31, l. 3 through p. 34, l. 2. Mr. Rupp grieved about the county board of equalization process and how his

property valuation was derived. See *Tr.*, 11-5-12, p. 35, l. 13 through p. 36, p. 15.

The State Board requested the Esmeralda County Assessor to inspect the property to ensure the improvements are correctly listed. The State Board took no further action on the grievance because it would require changes in the law. See *Tr.*, 11-5-12, p. 36, ll. 2-25. The Department offered to provide training to the county board of equalization. See *Tr.*, 11-5-12, p. 38, ll. 1-9.

### **Washoe County Grievances and Responses**

#### *Village League Grievance*

Suellen Fulstone on behalf of Village League to Save Incline Assets, Inc., representing approximately 1350 taxpayers, grieved that all residential property valuations in Incline Village and Crystal Bay be set at constitutional levels for the 2003-2004 tax year and subsequent years through 2006-2007, based on the results of a Supreme Court case where the Court determined the 2002 re-appraisal of certain properties at Incline Village used methods of valuation that were null, void, and unconstitutional. See *Tr.*, 9-18-12, p. 31, l. 1 through p. 40, l. 24.

#### *Response to Village League Grievance*

The State Board asked the Washoe County Assessor to respond to the Village League assertion that unconstitutional valuation methodologies were used for properties in Incline Village and Crystal Bay in Washoe County. The Assessor responded that teardown properties were included in the sales comparison approach for many, but not all, properties. In addition, when determining the land value for some properties, one or more adjustments were made for time, view, and or beach type. Similarly, there were many parcels whose land value was determined without the use of teardowns in the sales analysis and without adjustments for time, view, or beach type. See *Tr.*, 11-5-12, p. 39, ll. 6-15.

The Assessor further responded that for the 2006-2007 and 2007-2008 tax years, the State Board previously held hearings to address matters of equalization. The Assessor also responded that the Court's Writ does not require revisiting land valuation at Incline Village and Crystal Bay nearly a decade after the values were established, but rather to correct the failure to conduct a public hearing as it relates to the equalization process pursuant to NRS 361.395. See *Tr.*, 11-5-12, p. 40, l. 6 through p. 43, l. 21.

Fulstone replied that she objected to the characterization of this matter as having to do with the methodologies; the matter is about equalization and not about methodologies. She also objected to the denial of a proper rebuttal; and failure of the department to provide a proper record to the State Board, which she asserted would show a failure of equalization at Incline Village for the 2003-2004; 2004-2005; and 2005-2006 tax years. See *Tr.*, 11-5-12, p. 44, l. 8 through p. 45, l. 15.

The Department commented that NAC 361.652 defines "equalized property," which means to "ensure that the property in this state is assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law." The Department further commented that there is insufficient information in the record to determine whether the methods of appraisal used on all the properties at Incline Village were or were not uniform. In addition, the Department recommended the State Board examine the effects of removing the unconstitutional methodologies to determine the resulting value and whether the resulting value complies with the level of assessment required by law. See *Tr.*, 11-5-12, p. 55, l. 10 through p. 56, l. 3.

For the December 3, 2012 hearing, the Department brought approximately 24 banker boxes containing the record of cases heard by the State Board for properties at Incline Village and Crystal Bay



for prior years. The Department responded to the complaint of Fulstone that the full record was not before the State Board by stating that the record in the boxes had not been reduced to digital records due to a lack of resources in preparing for this hearing, but nevertheless the full record was available to the State Board and to the parties. The Department also stated that the *Bakst* and *Barta* case histories would be included in the record upon receipt from the Attorney General's office. See *Tr.*, 12-3-12, p. 4, *ll.* 12-25.

At the December 3, 2012 hearing, the Washoe County Assessor provided lists of properties for the 2003-2004, 2004-2005, and 2005-2006 fiscal years, showing those properties which were subject to one of the four methodologies deemed unconstitutional by the Nevada Supreme Court. See *Tr.*, 12-3-12, p. 6, *l.* 1 through p. 7, *l.* 12.

The Department recommended that the State Board measure the level of assessment through an additional sales ratio study after the valuations at Incline Village and Crystal Bay are revised, in order to ensure the Incline Village properties have the same relationship to taxable value as all other properties in Washoe County. See *Tr.*, 12-3-12, p. 24, *l.* 6 through p. 27, *l.* 15.

Fulstone rebutted the notion that a sales ratio study should be performed. Fulstone stated that for purposes of equalization, the Supreme Court's decision in *Bakst* to roll back values established for the 2002-2003 fiscal year should be determinative for the current equalization action. Further, the State Board should exclude any value that by virtue of resetting values to 2002-2003 would result in an increase. Fulstone asserted the values of those properties are already not in excess of the constitutional assessment. See *Tr.*, 12-3-12, p. 32, *l.* 10 through p. 33, *l.* 17. Fulstone also argued the regulations adopted by the State Board in 2010 regarding equalization do not apply, and the roll-back procedures adopted by the Supreme Court do apply for purposes of equalization. See *Tr.*, 12-3-12, p. 35, *l.* 8 through p. 37, *l.* 24; p. 41, *l.* 18 through p. 42, *l.* 4.

The State Board discussed the meaning of equalization at length and whether regulations governing equalization adopted in 2010 could be used as a guideline for purposes of equalizing values in 2003-04, 2004-05, and 2005-06. See *Tr.*, 12-3-12, p. 42, *l.* 12 through p. 47, *l.* 22. The Washoe County District Attorney concurred with the Department that a sales ratio study should be performed to ensure property values are fully equalized and reminded the State Board that the current regulations provide for several alternatives, including doing nothing, referring the matter to the Tax Commission, order a reappraisal or adjust values up or down, based on an effective ratio study. See *Tr.*, 12-3-12, p. 50, *l.* 21 through p. 53, *l.* 12. The Deputy Attorney General advised the State Board the writ of mandate does not limit the State Board to the roll-back procedures used by the Nevada Supreme Court to effect equalization. See *Tr.*, 12-3-12, p. 71, *ll.* 2-21.

The State Board, having considered all evidence, documents and testimony pertaining to the equalization of properties in accordance with NRS 361.227 and 361.395, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

### FINDINGS OF FACT

- 1) The State Board is an administrative body created pursuant to NRS 361.375.
- 2) The State Board is mandated to equalize property valuations in the state pursuant to NRS 361.395.
- 3) The State Board found there was insufficient evidence to show a broad-based equalization action was necessary to equalize the taxable value of residential property in Clark County that was the subject of a grievance brought forward by Louise Modarelli. The State Board dismissed

the grievance from further action. See *Tr.*, 11-5-12, p. 11, ll. 2-14.

- 4) The State Board found there was insufficient evidence to show a broad-based equalization action was necessary to equalize the valuation of exempt property in Clark County that was the subject of a grievance brought forward by City Hall, LLC. The State Board dismissed the grievance from further action. The State Board, however, directed the Department to conduct a performance audit of the work practices of county assessors with regard to how value is established for exempt properties. See *Tr.*, 11-5-12, p. 12, l. 21 through p. 13, l. 4; p. 14, l. 9 through p. 15, l. 10.
- 5) The State Board did not make a finding with regard to a broad-based equalization action on agricultural property in Douglas County, however, the State Board directed the Department to conduct a performance audit of the work practices of county assessors in the proper classification of agricultural lands. See *Tr.*, 11-5-12, p. 27, l. 16 through p. 29, l. 3.
- 6) The State Board found the grievance brought forward by Dehnert Queen and Paul Rupp, Esmeralda County, with regard to the property tax system required statutory changes. The State Board dismissed the grievance from further action. See *Tr.*, 11-5-12, p. 34, l. 25 through p. 35, l. 4.
- 7) The State Board found there was sufficient evidence to support a finding that some properties located in Incline Village and Crystal Bay, Washoe County, were valued in 2003-2004, 2004-2005, and 2005-2006 using methodologies that were subsequently found to be unconstitutional by the Nevada Supreme Court. See *Tr.*, 11-5-12, p. 92, l. 19 through p. 94, l. 24; p. 98, l. 1-9; p. 100, ll. 3-23; *State Board of Equalization v. Bakst*, 122 Nev. 1403, 148 P.3d 717 (2006).
- 8) The State Board found there was no evidence to show methods found to be unconstitutional by the Nevada Supreme Court in the *Bakst* decision were used outside of the Incline Village and Crystal Bay area. See *Tr.*, 11-5-12, p. 94, l. 15 through p. 95, l. 7; p. 106, l. 7 through p. 108, l. 2; *Tr.*, 12-3-12, p. 61, ll. 3-21.
- 9) The State Board found that equalization of the Incline Village and Crystal Bay area which might result in an increase in value to individual properties requires separate notification by the State Board of Equalization pursuant to NRS 361.395(2). See *Tr.*, 11-5-12, p. 103, ll. 12-21; *Tr.*, 12-3-12, p. 74, l. 12 through p. 75, l. 9.
- 10) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

### CONCLUSIONS OF LAW

- 1) The State Board has the authority to determine the taxable values in the State and to equalize property pursuant to the requirements of NRS 361.395.
- 2) County assessors are subject to the jurisdiction of the State Board.
- 3) The Writ of Mandamus issued in Case No. CV-03-06922 requires the State Board to take such actions as are required to notice and hold public hearings, determine the grievances of property owner taxpayers regarding the failure or lack of equalization for 2003-2004 and subsequent years to and including the 2010-2011 tax year, and to raise, lower, or leave unchanged the taxable value of any property for the purpose of equalization. See *Writ of Mandamus issued August 21, 2012*. The State Board found the Writ did not limit the type of equalization action to

be taken. See *Tr.*, 12-3-12, p. 71, l. 11 through p. 73, l. 25.

- 4) Except for NRS 361.333 which is equalization by the Nevada Tax Commission, there were no statutes or regulations defining equalization by the State Board prior to 2010. As a result, the State Board for the current matter relied on the definition of equalization provided in NAC 361.652 and current equalization regulations for guidance in how to equalize the property values in Incline Village and Crystal Bay, Washoe County, Nevada. The State Board found the Incline Village and Crystal Bay properties to which unconstitutional methodologies were applied to establish taxable value in 2003-2004, 2004-2005, and 2005-2006 should be reappraised using the constitutional methodologies available in those years; and further, that the taxable values resulting from said reappraisal should be tested to ensure the level of assessment required by law has been attained, by using a sales ratio study conducted by the Department. See *Tr.*, 12-3-12, p. 76, l. 2 through p. 79, l. 21.
- 5) The standard for the conduct of a sales ratio study is the IAAO *Standard on Ratio Studies* (2007). See NAC 361.658 and NAC 361.662.
- 6) The Nevada Supreme Court defined unconstitutional methodologies used on properties located at Incline Village and Crystal Bay as: classification of properties based on a rating system of view; classification of properties based on a rating system of quality of beachfront; time adjustments and use of teardown sales as comparable sales. See *State Board of Equalization v. Bakst*, 122 Nev. 1403, 148 P.3d 717 (2006).
- 7) NAC 361.663 provides that the State Board require the Department to conduct a systematic investigation and evaluation of the procedures and operations of the county assessor before making any determination concerning whether the property in a county has been assessed uniformly in accordance with the methods of appraisal required by law.
- 8) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

## ORDER

Based on the Findings of Fact and Conclusions of Law above, the State Board determined that no statewide equalization was required. See *Tr.*, 12-3-12, p. 80, l. 1 through p. 81, l. 10. However, based on the Findings of Fact and Conclusions of Law above, the State Board determined certain regional or property type equalization action was required. The State Board hereby orders the following actions:

- 1) The Washoe County Assessor is directed to reappraise all residential properties located in Incline Village and Crystal Bay to which an unconstitutional methodology was applied to derive taxable value during the tax years 2003-2004, 2004-2005, and 2005-2006. The reappraisal must be conducted using methodologies consistent with Nevada Revised Statutes and regulations approved by the Nevada Tax Commission in existence during each of the fiscal years being reappraised. The reappraisal must result in a taxable value for land for each affected property for the tax years 2003-2004; 2004-2005; and 2005-2006.
- 2) The Washoe County Assessor must complete the reappraisal and report the results to the State Board no later than one year from the date of this Notice of Decision. The report shall include a list for each year, of each property by APN, the name of the taxpayer owning the property during the relevant years, the original taxable value and assessed value and the reappraised taxable value and assessed value. The report shall also include a narrative and discussion of the

processes and methodologies used to reappraise the affected properties. The Washoe County Assessor may request an extension if necessary. *See Tr., p. 78, l. 14 through p. 79, l. 1.* The Washoe County Assessor may not change any tax roll based on the results of the reappraisal until directed to do so by the State Board after additional hearing(s) to consider the results of the reappraisal and the sales ratio study conducted by the Department.

- 3) The Department is directed to conduct a sales ratio study consistent with NAC 361.658 and NAC 361.662 to determine whether the reappraised taxable values of each affected residential property in Incline Village and Crystal Bay meets the level of assessment required by law; and to report the results of the study to the State Board prior to any change being applied to the 2003-2004, 2004-2005, or 2005-2006 tax rolls. The Washoe County Assessor is directed to cooperate with the Department in providing all sales from the Incline Village and Crystal Bay area occurring between July 1, 1999 to June 30, 2004, along with such information necessary and in a format to be identified by the Department, for the Department to perform the ratio study.
- 4) The Washoe County Assessor shall separately identify any parcel for which the reappraised taxable value is greater than the original taxable value, along with the names and addresses of the taxpayer owning such parcels to enable the State Board to notify said taxpayers of any proposed increase in value.
- 5) The Washoe County Assessor shall send a progress report to the State Board on the status of the reappraisal activities six months from the date of this Equalization Order including the estimated date of completion, unless the reappraisal is already completed.
- 6) The Department is directed to conduct a performance audit of the work practices of all county assessors with regard to the valuation of exempt properties, and to report the results of the audit to the State Board no later than the 2014-15 session of the State Board. All county assessors are directed to cooperate with the Department in supplying such information the Department finds necessary to review in order to conduct the audit; and to supply the information in the format required by the Department. *See Finding of Fact #5.*
- 7) The Department is directed to conduct a performance audit of the work practices of all county assessors with regard to the proper qualification and classification of lands having an agricultural use, and to include in the audit the specific properties brought forward in the Brooks grievance. The Department is directed to report the results of the audit to the State Board no later than the 2014-15 session of the State Board. All county assessors are directed to cooperate with the Department in supplying such information the Department finds necessary to review in order to conduct the audit; and to supply the information in the format required by the Department. *See Finding of Fact #6.*

BY THE STATE BOARD OF EQUALIZATION THIS 8 DAY OF FEBRUARY, 2013.



Christopher G. Nielsen, Secretary

CGF/ter

**CERTIFICATE OF SERVICE  
Equalization Order 12-001**

I hereby certify on the 8 day of February, 2013 I served the foregoing Findings of Fact, Conclusions of Law, and Decision by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

CERTIFIED MAIL: 7010 3090 0002 0369 9100  
PETITIONER  
Louise H. Modarelli  
4746 E. Montara Circle  
Las Vegas, NV 89121

CERTIFIED MAIL: 7010 3090 0002 0369 9124  
PETITIONER  
William Brooks  
P.O. Box 64  
Genoa, NV 89411

CERTIFIED MAIL: 7010 3090 0002 0369 9148  
PETITIONER  
CITY HALL, LLC (Taxpayer)  
Represented by:  
William J. McKean, Esq  
Lionel Sawyer and Collins  
Attorneys at Law  
50 West Liberty Street  
Suite 1100  
Reno, NV 89501

CERTIFIED MAIL: 7010 3090 0002 0369 9162  
PETITIONER  
Paul Rupp  
P.O. Box 125  
Silver Peak, NV 89047

CERTIFIED MAIL: 7010 3090 0002 0369 9186  
PETITIONER  
VILLAGE LEAGUE TO SAVE INCLINE  
ASSETS, INC., ET AL  
Represented by:  
Suellen Fulstone  
Snell and Wilmer  
6100 Neil Road, #555  
Reno, NV 89511

CERTIFIED MAIL: 7010 3090 0002 0369 9209  
RESPONDENT  
Dave Dawley  
Carson City Assessor  
201 N. Carson Street, #6  
Carson City, NV 89701

CERTIFIED MAIL: 7010 3090 0002 0369 9117  
RESPONDENT  
Norma Green  
Churchill County Assessor  
155 N. Taylor Street, #200  
Fallon, NV 89406

CERTIFIED MAIL: 7010 3090 0002 0369 9131  
RESPONDENT  
MS. MICHELE SHAFE  
CLARK COUNTY ASSESSOR  
500 SOUTH GRAND CENTRAL PARKWAY  
2ND FLOOR  
LAS VEGAS NV 89106

CERTIFIED MAIL: 7010 3090 0002 0369 9155  
RESPONDENT  
Douglas Sonnemann  
Douglas County Assessor  
P.O. Box 218  
Minden, NV 89423

CERTIFIED MAIL: 7010 3090 0002 0369 9179  
RESPONDENT  
Katrinka Russell  
Elko County Assessor  
571 Idaho  
Elko, NV 89801

CERTIFIED MAIL: 7010 3090 0002 0369 9193  
RESPONDENT  
Ms. Ruth Lee  
Esmeralda County Assessor  
P.O. Box 471  
Goldfield, NV 89013

CERTIFIED MAIL: 7010 3090 0002 0369 9216  
RESPONDENT  
Mike Mears  
Eureka County Assessor  
P.O. Box 88  
Eureka, NV 893016

CERTIFIED MAIL: 7010 3090 0002 0369 9223  
RESPONDENT  
Jeff Johnson  
Humboldt County Assessor  
50 W. Fifth Street  
Winnemucca, NV 89445

CERTIFIED MAIL: 7010 3090 0002 0369 9247  
RESPONDENT  
Lura Duvall  
Lander County Assessor  
315 South Humboldt Street  
Battle Mountain, NV 89820

CERTIFIED MAIL: 7010 3090 0002 0369 9261  
RESPONDENT  
Melanie McBride  
Lincoln County Assessor  
P.O. Box 420  
Pioche, NV 89043

CERTIFIED MAIL: 7010 3090 0002 0369 9285  
RESPONDENT  
Linda Whalin  
Lyon County Assessor  
27 South Main Street  
Yerington, NV 89447

CERTIFIED MAIL: 7010 3090 0002 0369 9308  
RESPONDENT  
Dorothy Fowler  
Mineral County Assessor  
P.O. Box 400  
Hawthorne, NV 89415

CERTIFIED MAIL: 7010 3090 0002 0369 9230  
RESPONDENT  
Shirley Matson  
Nye County Assessor  
160 N. Floyd Drive  
Pahrump, NV 89060


CERTIFIED MAIL: 7010 3090 0002 0369 9254  
RESPONDENT  
Celeste Hamilton  
Pershing County Assessor  
P.O. Box 89  
Lovelock, NV 89419

CERTIFIED MAIL: 7010 3090 0002 0369 9278  
RESPONDENT  
Jana Seddon  
Storey County Assessor  
P.O. Box 494  
Virginia City, NV 89440

CERTIFIED MAIL: 7010 3090 0002 0369 9292  
RESPONDENT  
Robert Bishop  
White Pine County Assessor  
955 Campton Street  
Ely, NV 89301

CERTIFIED MAIL: 7010 3090 0002 0369 9315  
RESPONDENT  
Joshua G. Wilson  
Washoe County Assessor  
P.O. Box 11130  
Reno, NV 89520-0027

CERTIFIED MAIL: 7010 3090 0002 0369 9322  
Richard Gammick  
Washoe County District Attorney  
P.O. Box 30083  
Reno, NV 89520-3083

  
Anita L. Moore, Program Officer I  
State Board of Equalization

**FILED**

Electronically  
02-21-2013:08:43:37 PM  
Joey Orduna Hastings  
Clerk of the Court  
Transaction # 3547722

1 **2630**  
2 **SNELL & WILMER L.L.P.**  
3 **Suellen Fulstone, No. 1615**  
4 **50 West Liberty Street, Suite 510**  
5 **Reno, Nevada 89501**  
6 **Telephone: (775) 785-5440**

7 **Attorneys for Petitioners**

8 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
9 **IN AND FOR THE COUNTY OF WASHOE**

10 **VILLAGE LEAGUE TO SAVE INCLINE** ) **Case No. CV03-06922**  
11 **ASSETS, INC., a Nevada non-profit** )  
12 **corporation, on behalf of their members and** ) **Dept. No. 7**  
13 **others similarly situated; MARYANNE** )  
14 **INGEMANSON, Trustee of the Larry D. and** )  
15 **Maryanne B. Ingemanson Trust; DEAN R.** )  
16 **INGEMANSON, individually and as Trustee** )  
17 **of the Dean R. Ingemanson; J. ROBERT** )  
18 **ANDERSON; and LES BARTA; on behalf of** )  
19 **themselves and others similarly situated;** )

20 **Petitioners,** )  
21 **vs.** )

22 **STATE OF NEVADA on relation of the State** )  
23 **Board of Equalization; WASHOE COUNTY;** )  
24 **BILL BERRUM, Washoe County Treasurer,** )

25 **Respondents.** )  
26 )  
27 )  
28 )

29 **OBJECTIONS TO STATE BOARD OF EQUALIZATION REPORT AND ORDER**

30 In response to this Court's equalization writ of mandate, the State Board of Equalization  
31 has directed the Washoe County Assessor's Office to reappraise the land portion of all residential  
32 properties at Incline Village and Crystal Bay for each of the tax years 2003-2004, 2004-2005 and  
33 2005-2006. For themselves and all residential property taxpayers at Incline Village/Crystal Bay,

**Snell & Wilmer**

L.L.P.  
LAW OFFICES  
50 WEST LIBERTY STREET, SUITE 510  
RENO, NEVADA 89501  
(775) 785-5440

petitioners object on the grounds that the SBOE decision exceeds the Board's statutory jurisdiction, denies the constitutional rights of taxpayers to due process, equal protection and uniformity of property taxation, and violates the terms of the writ of mandate. The SBOE decision must be vacated and this matter remanded to the SBOE for a decision in compliance with the Board's jurisdiction, the law and the writ issued by this Court.

## TABLE OF CONTENTS

I. Introduction .....	3
II. State Board of Equalization (SBOE) Proceedings And Order .....	4
III. The Reappraisal Order Is Beyond The SBOE's Statutory Jurisdiction.....	7
A. The SBOE Lacks The Jurisdiction To Order Reappraisal.....	7
B. The SBOE's Attempt To Extend Its Jurisdiction By Regulation Must Be Rejected As A Matter Of Law.....	9
C. Nevada's Property Tax Statutes Do Not Authorize A Reappraisal Remedy.....	10
IV. The SBOE Decision Must Be Set Aside As Void Because The Board Was Unlawfully Constituted And Had No Jurisdiction.....	13
V. The SBOE Decision Must Be Set Aside Because Of The Board's Unlawful Retroactive Application Of The 2010 Equalization Regulations.....	14
VI. The Reappraisal Order Is Void Because It Denies Taxpayers Their Constitutional Rights To Due Process And Equal Protection.....	17
A. The Reappraisal Order Denies Taxpayers Their Rights To Due Process And Equal Protection.....	17
B. "Constitutional" Reappraisals Cannot Be Performed.....	20
1. The Incline Village/Crystal Bay Properties Cannot Be Constitutionally Reappraised Under The Original 2002 Regulations. . .	20
2. The Incline Village/Crystal Bay Properties Cannot Be Constitutionally Reappraised Under The 2002 Temporary Regulations Or The August 2004 Permanent Regulations.....	21
VII. The Reappraisal Order Violates The Writ Of Mandate And Must Be Set Aside. . .	22



## OBJECTIONS

## I. Introduction

The SBOE has ordered the Washoe County Assessor "to **reappraise** all residential properties located in Incline Village and Crystal Bay to which an unconstitutional methodology was applied to derive taxable value during the tax years 2003-2004, 2004-2005 and 2005-2006." *Equalization Order (February 8, 2013)*, p. 9, (Exhibit 1 to the State Board of Equalization's Notice of Equalization Order filed February 8, 2013) (Emphasis added). Under the Order, the Assessor must reappraise approximately 9000 parcels for each of the three years because every residential property at Incline Village/Crystal Bay was appraised using unconstitutional methodologies for the tax years in issue. Since mass appraisal was not approved as a methodology by Tax Commission regulation until 2008, each of those new appraisals would have to be an individual appraisal. This "Equalization Order" would impose an enormous burden on the Washoe County Assessor (and on all Washoe County taxpayers who would have to pay for these reappraisals) to no purpose. The SBOE does not have the jurisdiction to order "reappraisals" by county assessors. Even if it did have that jurisdiction, reappraisals satisfying constitutional standards are impossible, given the state of valuation regulations during the tax years at issue.

Furthermore, the SBOE's "Equalization Order" is drafted so broadly that it requires the Washoe County Assessor to reappraise the hundreds of properties whose valuations were established for the tax years in issue by the Nevada Supreme Court in *State ex rel. State Board of Equalization v. Bakst*, 122 Nev. 1403, 148 P.3d 717 (2006), and *State ex rel. State Board of Equalization v. Barta*, 124 Nev. 612, 188 P.3d 1092 (2008), and by the district court, applying the *Bakst* and *Barta* precedents, in *Village League to Save Incline Assets, Inc., et al, Petitioners, vs. State ex rel State Board of Equalization, et al, Respondents, Case No. 05-01451A in the First*

1 Judicial District Court, Carson City, Nevada, and as to which refunds in substantial amounts  
2 were paid to taxpayers some years ago. Having openly admitted their disagreement with the  
3 Supreme Court rulings *Transcript (November 5), p. 56 (Exhibit 1); Transcript (December 3), pp.*  
4 *62-63 (Exhibit 2)*<sup>1</sup>, the SBOE has decided to exercise powers not granted to it by the Nevada  
5 Legislature to nullify those Court rulings. The SBOE decision and order for "reappraisal" cannot  
6 stand.  
7

## 8 II. State Board of Equalization (SBOE) Proceedings And Order

9 The SBOE held three sets of hearings pursuant to the writ issued by this Court. At the  
10 first hearing date, September 18, 2012, taxpayers, including Incline Village/Crystal Bay  
11 residential property owners, presented their equalization grievances. A second set of hearings  
12 was noticed for November 5, 2012, to allow the assessors to respond to the several grievances.  
13 As each grievance was addressed by the respective county assessor, the SBOE ruled on that  
14 grievance.  
15

16 The Washoe County Assessor addressed the Incline Village/Crystal Bay grievances and  
17 admitted that the land portion<sup>2</sup> of all single family residential properties and some of the  
18 condominium properties at Incline Village/Crystal Bay had been appraised for the 2003-2004,  
19 2004-2005, and 2005-2006 tax years using one or more of the four unconstitutional methods  
20 identified by the Supreme Court in the *Bakst* decision. *Exhibit 1, pp. 93-94*. Based on the  
21 Assessor's subsequent reports, the number of properties admittedly valued unconstitutionally for  
22  
23

24 <sup>1</sup> The complete transcripts for all three hearings held by the SBOE have been filed with  
25 the court in the Record for Writ of Mandamus Hearing filed December 12, 2013 and the Second  
26 Supplement to Record for Writ of Mandamus Hearing filed February 12, 2013.

27 <sup>2</sup> Under Nevada's taxable value system, the land and improvements on improved  
28 residential property are valued separately. Since the land is to be valued as though it were vacant,  
a comparable sales analysis can only be used to determine value if there are a sufficient number  
of relatively current sales of comparable vacant land. There was a lack of comparable vacant land  
sales in the Incline Village/Crystal Bay area for the tax years in question.

1 the tax years in question exceeded 5000, many of them with multiple owners.<sup>3</sup>

2 The Assessor, however, claimed that none of the four methods identified in *Bakst* had  
3 been used in the appraisals of the remaining Incline Village/Crystal Bay residential properties, all  
4 of which were condominiums. *Exhibit 1, pp. 93-94*. The SBOE made no further inquiry of the  
5 Assessor with regard to the methodology or methodologies used to value the "land" portion of  
6 condominiums, whether any such methodology was contained in a Tax Commission approved  
7 regulation, and whether the same methodology was used for condominiums in other areas of  
8 Washoe County. The SBOE also made no inquiry of its Department staff as to what  
9 methodologies were used elsewhere in the State of Nevada for the valuation of condominiums in  
10 the tax years in question.  
11

12 Without any such further inquiry, the SBOE voted unanimously to re-set the land values  
13 of properties that the Assessor admitted having previously valued unconstitutionally to their  
14 2002-2003 levels as the Supreme Court had done in both the *Bakst* and *Barta* cases. *Exhibit 1,*  
15 *pp. 104-113*. The values for each year were to be further adjusted by the application of the factor  
16 that had been approved for the respective year by the Tax Commission. *Id.* The SBOE decision  
17 applied only to those properties that the Assessor had admitted were previously valued using the  
18 methods held unconstitutional in *Bakst* and *Barta*. The SBOE directed the Assessor to provide a  
19 list of the affected properties by early December. *Id.*  
20  
21

22 The Board's November 5 decision was described as final, subject only to a ministerial  
23 review of the properties identified by the County Assessor. *Exhibit 1, pp. 111-113*. The hearing  
24 on December 3, 2012, however, inexplicably took place as though the November 5 determination  
25 had never been made. *See, e.g., Exhibit 2, p. 40*. Instead of reviewing the Assessor's lists of  
26

27 <sup>3</sup> The Assessor's listing of properties for the 2003-2004, 2004-2005, and 2005-2006 tax  
28 years are included as Item No. 4 to Supplement to Record for Writ of Mandamus Hearing filed  
December 13, 2012. Each of the three lists consists of 180+ pages with approximately 30  
properties to a page.

1 affected properties, the SBOE ignored its November 12 decision and instead directed the  
2 Assessor to reappraise all those properties for the three tax years in issue. *Exhibit 2, pp. 77-80.*

3 Under SBOE regulations, the Department staff has 60 days to prepare and serve the  
4 SBOE's final written decision. *NAC 361.747.* That decision was issued here on February 8,  
5 2013, as Equalization Order 12-001. The Order provides as follows:  
6

7 The State Board hereby orders the following actions:

8 1) The Washoe County Assessor is directed to reappraise all  
9 residential properties located in Incline Village and Crystal Bay to  
10 which an unconstitutional methodology was applied to derive  
11 taxable value during the tax years 2003-2004, 2004-2005, and  
12 2005-2006. The reappraisal must be conducted using  
13 methodologies consistent with Nevada Revised Statutes and  
14 regulations approved by the Nevada Tax Commission in existence  
during each of the fiscal years being reappraised. The reappraisal  
must result in a taxable value for land for each affected property for  
the tax years 2003-2004, 2004-2005, and 2005-2006. *Equalization*  
*Order 12-001, p. 9.*

15 The Order further requires the Department to conduct a "ratio study" on the reappraised values  
16 and the Board to hold unspecified "additional hearing(s)" to consider both the results of the  
17 reappraisals and the sales ratio study. *Id., pp. 9-10.*

18 Under the express terms of the final written decision, the Washoe County Assessor must  
19 rcappraise all residential properties at Incline Village/Crystal Bay for the 2003-2004, 2004-2005  
20 and 2005-2006 tax years "to which an unconstitutional methodology was applied to derive  
21 taxable value" for those tax years. That description includes all the condominium properties at  
22 Incline Village/Crystal Bay. Without regard to the specific methodologies found unconstitutional  
23 in *Bakst* and *Barta*, the methodology used by the Washoe County Assessor to value Incline  
24 Village/Crystal Bay condominiums met the *Bakst/Barta* criteria for unconstitutionality. That  
25 methodology was not reflected in any Tax Commission regulation for uniform use throughout the  
26 state. Furthermore, assessors in other counties used other methodologies to value condominiums.  
27  
28

1 The direction to reappraise "all residential properties located in Incline Village and Crystal  
2 Bay to which an unconstitutional methodology was applied to derive taxable value during the tax  
3 years 2003-204, 2004-2005 and 2005-2006," also requires the Washoe County Assessor to  
4 reappraise those properties whose valuations were at issue and set aside as unconstitutional and  
5 void in the *Bakst* and *Barta* cases as well as the approximately 1000 properties whose 2005-2006  
6 values were adjudicated and refunds paid to taxpayers in the matter of *Village League to Save*  
7 *Incline Assets, Inc., et al, Petitioners, vs. State ex rel State Board of Equalization, et al,*  
8 *Respondents, Case No. 05-01451A in the First Judicial District Court, Carson City, Nevada.*  
9 Although the legal principles expressed in *Bakst* and *Barta* remain operative, Equalization Order  
10 12-001 would set aside the valuations established by the Supreme Court in those cases as well as  
11 the adjudicated values in the District Court case.

### 12 13 14 **III. The Reappraisal Order Is Beyond The SBOE's Statutory Jurisdiction.**

#### 15 **A. The SBOE Lacks The Jurisdiction To Order Reappraisal.**

16 The SBOE was created by the Nevada Legislature and its jurisdiction is  
17 determined by its enabling statute. The SBOE did not exist at common law and it has no  
18 inherent, common law powers. *See, e.g., Nevada Power Co. v. District Court*, 120 Nev. 948,  
19 955-956, 102 P.3d 578, 583 (Nev., 2004) (a statutory agency "has only those powers and  
20 jurisdiction as are expressly or 'by necessary or fair implication' conferred by statute"); *see also,*  
21 *Andrews v. Nevada State Board of Cosmetology*, 86 Nev. 207, 467 P.2d 96 (1970); *Clark County*  
22 *v. State, Equal Rights Commission*, 107 Nev. 489, 492, 813 P.2d 1006, 1007 (1991). Any action  
23 by the SBOE in excess of its jurisdiction as determined by statute is void *per se*. *See, e.g.,*  
24 *Diageo-Guinness USA, Inc. v. State Bd. of Equalization*, 140 Cal.Rptr.3d 358, 364  
25 (Cal.App.2012) (Board's attempt to redefine Flavored Malt Beverages for purposes of excise  
26 taxes was outside its authority and void); *see also, Security National Guaranty, Inc. v. California*  
27  
28

1 *Coastal Commission*, 71 Cal.Rptr.3d (Cal.App.2008) (action taken in excess of statutory authority  
2 was invalid).

3 The SBOE's statutory equalization duties and powers are set forth in NRS 361.395  
4 in their entirety as follows:

5  
6 1. During the annual session of the State Board of  
7 Equalization beginning on the fourth Monday in March of each  
8 year, the State Board of Equalization shall:

9 (a) Equalize property valuations in the State.

10 (b) **Review the tax rolls of the various counties as corrected**  
11 **by the county boards of equalization thereof and raise or lower,**  
12 **equalizing and establishing the taxable value of the property,**  
13 for the purpose of the valuations therein established by all the  
14 county assessors and county boards of equalization and the Nevada  
15 Tax Commission, of any class or piece of property in whole or in  
16 part in any county, including those classes of property enumerated  
17 in NRS 361.320. (Emphasis added.)

18 Under the statute, the mandated equalization is to be done annually for the current tax year not  
19 years after the fact. The SBOE's failure of annual statewide equalization has made this long  
20 overdue equalization proceeding necessary.

21 NRS 361.395 specifically authorizes the SBOE to review the tax rolls and raise or  
22 lower taxable values for purposes of equalization. The Legislature did not empower the SBOE to  
23 order the reappraisal of property by county assessors.<sup>4</sup> When a statute gives specific powers to  
24 any agency, those specific powers establish the limits of the agency's jurisdiction. *See, e.g., Clark*  
25 *County v. State, Equal Rights Commission, supra*, 107 Nev. at 492, 813 P.2d at 1007 (authority to  
26 issue subpoenas for hearings meant no authority to issue subpoenas for investigation purposes);  
27 *see also, Hi-Country Estates Homeowners Association v. Bagley & Co.*, 901 P.2d 1017, 1021  
(Utah 1995) (PSC did not have power to determine value of property other than for rate-making

28 <sup>4</sup> Certainly the Legislature never anticipated an order to reappraise properties appraised  
ten years earlier.

1 purposes); *In re Board of Psychologist Examiners' Final Order Case No. PSY-P4B-01-010-002*,  
2 224 P.3d 1131, 1137 (Idaho 2010) (sanctions specifically authorized by statute preclude  
3 imposition of other sanctions); *People v. Harter Packing Co.*, 325 P.2d 519, 521 (Cal.App. 1958)  
4 (agency cannot expand upon statutory enumerated penalties).  
5

6 The statutes contain no express authorization for the SBOE to order the reappraisal  
7 of property by county assessors. Nor may any such authority be either necessarily or fairly  
8 implied. Nothing in the statutory language, the legislative history of the statute, or the historical  
9 experience under the statute supports the implied authority to order reappraisal. In all its history,  
10 the SBOE has never previously issued an order for the reappraisal of property. *See, e.g., Heber*  
11 *Light & Power Co. v. Utah Public Service Commission*, 231 P.3d 1203, 1208 (Utah 2010)  
12 ("Accordingly, to ensure that the administrative powers of the [Commission] are not  
13 overextended, any reasonable doubt of the existence of any power must be resolved against the  
14 exercise thereof.")<sup>5</sup>  
15

16 **B. The SBOE's Attempt To Extend Its Jurisdiction By Regulation Must**  
17 **Be Rejected As A Matter Of Law.**

18 Effective in October of 2010, the SBOE adopted regulations for equalization,  
19 including arrogating to itself under certain circumstances, the "authority" to order county  
20 assessors to reappraise property. NAC 361.650--361.669; NAC 361.665. The law, however,  
21 does not permit the SBOE to extend its jurisdiction by regulation. First of all, the SBOE's  
22 authority to adopt regulations is expressly limited to regulations governing the conduct of its  
23 business. *NRS 361.375(9)*. In other words, the SBOE only has the authority to adopt procedural  
24 regulations. The plenary regulation-making authority for the tax system lies with the Tax  
25 Commission. *See, e.g., NRS 360.090; 360.250*.  
26

27 <sup>5</sup> There is similarly no grant of authority, express or implied, for the SBOE to order ratio  
28 studies. Ratio studies are provided for in NRS 361.333 which specifies roles for both the  
Department and the Tax Commission. NRS 361.333 makes no mention whatsoever of the SBOE.

1 Even if the SBOE's authority to adopt regulations were not limited to procedure,  
2 however, that authority could not be exercised to expand its jurisdiction beyond that provided by  
3 statute. *See, e.g., Morris v. Williams*, 433 P.2d 697, 708 (Cal.1967) ("Administrative regulations  
4 that alter or amend the statute or enlarge or impair its scope are void and courts not only may, but  
5 it is their obligation to strike down such regulations.") The reappraisal order is in excess of the  
6 SBOE's jurisdiction and cannot be sustained.  
7

8 In any event, the SBOE does not purport to act under its 2010 equalization  
9 regulations in ordering the reappraisals of Incline Village/Crystal Bay property. The retroactive  
10 application of the 2010 equalization regulations to equalization grievances for the tax years 2003-  
11 2004 through 2005-2006 is prohibited. *See, e.g., Barta, supra*, 124 Nev. at 621-622, 188 P.3d at  
12 1099. Furthermore, an order for reappraisal under NAC 361.665 requires not only specific  
13 preliminary findings based on the SBOE's review of particular information from throughout  
14 Nevada but specific direction from the SBOE as to the "particular methods" of reappraisal to be  
15 used and their authority in Commission regulations. *NAC 361.665*. Neither those preliminary  
16 findings nor the specification of reappraisal methods can be found in Equalization Order 12-001.  
17

18 **C. Nevada's Property Tax Statutes Do Not Authorize A Reappraisal Remedy.**  
19

20 The Nevada Legislature has not vested the SBOE with the jurisdiction to order  
21 county assessors to reappraise property. In fact, not even the Tax Commission has the  
22 jurisdiction to order reappraisals. Nevada's property tax system does not permit orders for the  
23 "reappraisal" of property already appraised for a particular tax year. The only references to  
24 "reappraisal" in the entire Nevada property tax code are to the annual or cyclical "reappraisal" of  
25 property for ad valorem tax purposes. *See, e.g., NRS 361.260; 361.261*. "Reappraisal" is a  
26 reference only to the current year's appraisal of property that was appraised in prior years.  
27

28 The imposition and collection of property taxes in Nevada follows a relatively



1 strict timeline. The tax year runs from July 1 to June 30. The property valuation process starts in  
2 the preceding year. For the tax year 2003-2004, for example, the initial property valuation by the  
3 county assessor took place in 2002. By statute, the assessor is required to use only "comparable  
4 sales of land before July 1 of the year before the lien date." *NRS 361.260(7)*. In valuing the land  
5 portion of residential property for the 2003-2004 tax year, for example, the assessor could only  
6 consider comparable vacant land sales that occurred prior to July 1, 2002.  
7

8 For the 2003-2004 tax year, the property owner received notice of the Assessor's  
9 determination of value in November or December of 2002. The last day to appeal a  
10 determination of value was January 15, 2003. *NRS 361.340*. The County Board of Equalization  
11 sat until the end of February 2003 to hear and determine the property owner/taxpayer appeals.  
12 *NRS 361.340*. Taxpayers who were unsatisfied with the County Board determinations had until  
13 March 10, 2003, to appeal to the SBOE. *NRS 361.360*. The SBOE convened on the last Monday  
14 in March of 2003 and remained in session until November 1, 2003. *NRS 361.380*.  
15

16 Tax bills for the 2003-2004 tax year were sent by August 1, 2003, and taxes were  
17 due on August 20, 2003, although taxes could be paid in four installments with the last  
18 installment in March of 2004. Property taxes are a perpetual lien against the property and take  
19 priority over other encumbrances. *NRS 361.450*. The lien date for 2003-2004 property taxes was  
20 July 1, 2003, the first day of the tax year. Although the SBOE may have remained in session  
21 until November 1, 2003, by that time, county assessors were almost finished with the next tax  
22 year's (2004-2005) valuation process and the preparation of notices of 2004-2005 valuations that  
23 went to taxpayers in November or December of 2003.  
24

25 There is no place in Nevada's property tax system for the "reappraisal" of property  
26 already appraised for the tax year in question. Not only do the statutes make no reference to an  
27 order for reappraisal as an available remedy for improper valuation by county assessors, those  
28

1 statutes also fail to create any process whatsoever by which taxpayers could challenge the values  
2 obtained in a reappraisal. When the government assigns a value to property and proposes to tax  
3 the owner based on that valuation, the property owner has an undisputed and indisputable  
4 constitutional right to notice and the opportunity to be heard to challenge that value. The  
5 taxpayer's due process rights would have to be protected with respect to a reappraisal just as they  
6 are in the existing system with the assessor's initial appraisal.  
7

8 A reappraisal remedy is inconsistent with both the language of the property tax  
9 statutes and the public policies they are intended to promote. A mass reappraisal remedy created  
10 and applied retroactively more than ten years after the initial appraisals were done and multiple  
11 properties will have been transferred, in some cases, more than once, creates further problems.  
12 The potential higher valuations and increased assessments could wreak havoc with the lien  
13 system, title policy guarantees, and ultimate collection of additional taxes.  
14

15 Furthermore, the county assessor and the taxpayer are adversary parties with  
16 respect to property taxes. Ordering the county assessor to reappraise property after the assessor  
17 has acknowledged the use of unconstitutional methodologies in the original appraisal is like  
18 finding the defendant liable and then letting the defendant determine the plaintiff's damages. It is  
19 the proverbial fox guarding the henhouse. Giving the assessor a "do-over" would remove any  
20 effective disincentive for improper or unconstitutional appraisal practices. It also would add  
21 further insult to existing injury in terms of a property tax system already heavily weighted against  
22 the taxpayer. The *Barta* case presented a similar issue involving similarly invalid valuations  
23 based on the use of unconstitutional valuation methodologies. The SBOE and the Washoe  
24 County Assessor both proposed a "remand" not to the Assessor for reappraisal, but instead to the  
25 SBOE itself for the establishment of new values. *124 Nev. at 627; 188 P.3d at 1102*. The  
26 Supreme Court rejected the SBOE's proposed remand for new valuations in favor of resetting the  
27  
28

1 properties to their most recent constitutionally valid valuations. *Id.*

2 **IV. The SBOE Decision Must Be Set Aside As Void Because**  
3 **The Board Was Unlawfully Constituted And Had No Jurisdiction.**

4 Under NRS 361.375, the SBOE is to be composed of five members appointed by the  
5 Governor. Only one of those five members is to be a property appraiser with a professional  
6 designation. The Legislature purposely limited the Board to one fee appraiser in order to have the  
7 appraisal expertise without having appraisal considerations dominate.

8 The Board that heard and determined the equalization grievances under the writ of  
9 mandate, however, had two members, Chairman Anthony Wren and Member Ben Johnson, who  
10 were "property appraisers with professional designations." *See Exhibits 3 and 4.* Mr. Johnson  
11 was recently appointed to the Board, replacing Russ Hofland who had been the Board Member  
12 "versed in the valuation of centrally assessed properties." *See Exhibit 5.* The statute also requires  
13 that one member of the Board be "versed in the valuation of centrally assessed properties." *NRS*  
14 *361.375.* Even if Mr. Johnson has experience with centrally assessed properties not reflected in  
15 his biography or resume, his appointment created a Board with two fee appraisers in violation of  
16 both the letter and the spirit of NRS 361.375. That appointment deprived the Board of  
17 jurisdiction in this matter. *See, e.g., Kaemmerer v. St. Clair County Electoral Board*, 776 N.E.2d  
18 900, 902 (Ill.App. 2002); *Vuagniaux v. Dept. of Professional Regulation*, 802 N.E.2d 1156, 1164-  
19 1165 (Ill.App. 2003); *DuBaldo v. Dept. of Consumer Protection*, 522 A.2d 813, 815 (Conn.  
20 1989); *Davis v. Rhode Island Bd. of Regents*, 399 A.2d 1247, 1250 (R.I. 1979).

21 The influence of the two appraiser members on the unlawfully constituted Board was  
22 apparent. Chairman Wren was frank in his disagreement with the Supreme Court rulings. *Exhibit*  
23 *1, p. 56.* Both the Chairman and Member Johnson expressed their support for reappraisals  
24 because the unconstitutionally obtained values did not exceed market or "full cash" value.  
25 *Exhibit 2, pp. 8, 36, 39, 49, 58-60, 72.* The SBOE was reminded to no avail that the *Barta* Court  
26  
27  
28

1 had expressly rejected both the SBOE's "full cash value" argument and its request for a remand  
2 for the determination of new values. *Id.*, pp. 28-30, 36, 57-58.

3 **V. The SBOE Decision Must Be Set Aside Because Of The Board's Selective**  
4 **And Unlawful Retroactive Application Of The 2010 Equalization Regulations.**

5 After acknowledging that no contemporaneous equalization regulations existed during the  
6 tax years at issue, the SBOE made numerous references in its decision to the equalization  
7 regulations adopted in 2010. In Conclusion of Law Number 4, for example, the Equalization  
8 Order states as follows:

9  
10 [The Board] relied on the definition of equalization provided in  
11 NAC 361.652 and current equalization regulations for guidance in  
12 how to equalize the property values in Incline Village and Crystal  
13 Bay. *Equalization Order*, p. 9.

14 NAC 361.652 was adopted as part of the 2010 regulations.

15 In Conclusion of Law Number 5, the Equalization Order references the "standard for the  
16 conduct of a sales ratio study is the IAAO Standard on Ratio Studies (2007)," citing NAC  
17 361.658 and NAC 361.662, also adopted in 2010. *Equalization Order*, p. 9. In Conclusion of  
18 Law Number 7, the Equalization Order references another of the 2010 regulations, stating, as  
19 follows:

20 NAC 361.663 provides that the State Board require the Department  
21 to conduct a systematic investigation and evaluation of the  
22 procedures and operations of the county assessor before making any  
23 determination concerning whether the property in a county has been  
24 assessed uniformly in accordance with the methods of appraisal  
25 required by law. *Equalization Order*, p. 9.

26 The Order further directs the Department "to conduct a sales ratio study consistent with NAC  
27 361.658 and NAC 361.662 . . . ." *Equalization Order*, p. 10.

28 The SBOE's 2010 equalization regulations were expressly made prospective, to be  
effective October 1, 2010. Nothing in the language or history of the regulations remotely suggest

1 a retroactive intent of any kind. The retroactive application of the 2010 equalization regulations  
2 is prohibited as a matter of law. *See, e.g., Barta, supra*, 124 Nev. at 621-622, 188 P.3d at 1099.  
3 In any event, as drafted, the 2010 equalization regulations apply only to the SBOE's annual  
4 mandate for statewide equalization in a current tax year. *NAC 361.650-361.669*. With no  
5 provisions for the review of prior year equalization issues, those 2010 regulations could not  
6 govern the SBOE proceedings under the writ of mandate. To follow the 2010 regulations, the  
7 SBOE here would have reviewed the tax rolls of each county for the tax years from 2003-2004 to  
8 2009-2010, reviewed the rolls of centrally assessed property for each of those years, reviewed  
9 ratio studies and performance audits of assessor practices conducted in each of those years, made  
10 preliminary findings and held hearings on those preliminary findings, and so on. *NAC 361.659,*  
11 *361.660, 361.664*. None of those actions were taken or could lawfully have been taken. The  
12 2010 regulations were simply not in effect in any of the tax years at issue before the SBOE on the  
13 writ of mandate.  
14

15  
16 Furthermore, under the 2010 equalization regulations, taxpayers are relegated to the status  
17 of "interested persons" rather than parties to the proceedings with all the rights of parties. The  
18 hearings mandated by the writ of mandate were for the express purpose of resolving taxpayer  
19 equalization grievances from the tax years 2003-2004 through 2009-2010. The SBOE had no  
20 equalization regulation applicable to those tax years and it has no regulation whatsoever, to date,  
21 addressing taxpayer equalization grievances. Nothing in the 2010 equalization regulations deals  
22 with taxpayer equalization grievances.  
23

24 The Department/SBOE attempt to avoid the prohibited retroactive application of the 2010  
25 equalization regulations by characterizing certain cherry-picked provisions merely as "guidance."  
26 For example, the SBOE is said to have been "guided" by the definition of equalization adopted as  
27 part of the 2010 regulations. The use of this definition was primarily urged by the Department of  
28

1 Taxation representative Terry Rubald. *Exhibit 1, pp. 55; Exhibit 2, pp. 25, 45.* As argued by  
2 Rubald and by new appraiser member Johnson, satisfying the 2010 definition of equalization  
3 required a ratio study to determine that Incline Village/Crystal Bay residential property owners  
4 were being assessed the same as other property owners in Washoe County. *Exhibit 1, pp. 98-99;*  
5 *Exhibit 2, pp. 56, 78.* The effect, and true purpose, of a ratio study here (performed "of course"  
6 by the Department) is to ensure valuation levels established by unconstitutional methodologies  
7 are maintained. The intent is to nullify the Supreme Court *Bakst* and *Barta* rulings and restore  
8 unconstitutional valuations under the guise of reappraisal validated by a ratio study.  
9

10 Taxpayers are entitled to have their equalization grievances for the tax years 2003-2004,  
11 2004-2005, and 2005-2006 determined by the law in effect during those years not years later. In  
12 2003-2004, 2004-2005, and 2005-2006, equalization was geographical. When the SBOE  
13 approved a 10% reduction along the lakeshore in Incline Village, no "ratio study" was performed.  
14 When the SBOE affirmed the County Board 2006-2007 tax year equalization decision resetting  
15 all residential property at Incline Village/Crystal Bay to 2002-2003 levels, no "ratio study" was  
16 performed.  
17

18 This Court must reject the obvious subterfuge. The retroactive use of the 2010  
19 equalization provisions as "guidance" is no less prohibited than their straightforward application.  
20 The Equalization Order based on that "guidance" is unlawful and must be vacated. If anything,  
21 the SBOE's selective use of certain provisions of the 2010 regulations without any attempt at  
22 actual compliance with those regulations is even more egregious. If the SBOE is serious about  
23 using the 2010 regulation as "guidance," it should direct the reappraisal of the entire state using  
24 constitutional methodologies and the preparation of ratio studies that encompass the entire state  
25 for the tax years in question, including the comparable Lake Tahoe properties in Douglas County.  
26  
27  
28

IN THE SUPREME COURT OF THE STATE OF NEVADA

VILLAGE LEAGUE TO SAVE INCLINE	)	Supreme Court Case No. 2013-0346	Electronically Filed Nov 27 2013 03:46 p.m.
ASSETS, INC.; MARYANNE	)		Tracie K. Lindeman
INGEMANSON, TRUSTEE OF THE	)	District Court No. CV09-00922	Clerk of Supreme Court
LARRY D. & MARYANNE B.	)		
INGEMANSON TRUST; ET AL.,	)		
	)		
Appellants,	)		
	)		
vs.	)		
	)		
THE STATE OF NEVADA, BOARD	)		
OF EQUALIZATION; ET AL.,	)		
	)		
Respondents.	)		
_____	)		

**JOINT APPENDIX – VOLUME 3**

Suellen Fulstone, No. 1615  
SNELL & WILMER L.L.P.  
50 West Liberty Street, Suite 510  
Reno, Nevada 89501  
Attorneys for Village League to Save Incline  
Assets, Inc.; Maryanne Ingemanson, Dean Ingemanson,  
J. Robert Anderson, Les Barta,  
Kathy Nelson and Andrew Whyman

## ALPHABETICAL INDEX

<b>Document</b>	<b>Date</b>	<b>Vol.</b>	<b>Pages</b>
2003/2004 Incline Village/Crystal Bay list to the State Board of Equalization per request on November 5, 2012 (first and last page)		1	APX00229- APX00230
2004/2005 Incline Village/Crystal Bay list to the State Board of Equalization per request on November 5, 2012 (first and last page)		1	APX00231- APX00232
2005/2006 Incline Village/Crystal Bay list to the State Board of Equalization per request on November 5, 2012 (first and last page)		1	APX00233- APX00234
Addendum to Objections to State Board of Equalization Report and Order	2/22/13	3	APX00644- APX00651
Amended Complaint/Petition for Writ of Mandamus	6/19/09	1	APX00019- APX00028
Bakst Intervenor's Notice of Appeal	7/19/13	8	APX01507- APX01515
Baskt Intervenor's Joinder in Notice of Appeal	7/19/13	8	APX01525- APX01526
Certificate of Delivery of Writ of Mandamus	8/30/12	1	APX00065- APX00078



Churchill County Notice of Non-Participation and Motion to Dismiss	5/20/13	8	APX01370-APX01375
Complaint for Declaratory and Related Relief	11/13/03	1	APX00001-APX00018
County's Motion to Dismiss NRCP 12(b)(5) and NRCP 12(b)(6)	4/4/13	6	APX00903-APX00934
County's Notice of Non-Aversion to Requested Stay and Response to Objections	3/22/13	5	APX00847-APX00859
County's Response and Opposition to Motion for Leave to Seek Reconsideration of July 1, 2013 Order	8/1/13	8	APX01527-APX01534
Minutes of the August 3, 2012 Status Hearing	8/14/12	1	APX00046-APX00048
Motion for Leave of Court to File Motion to Intervene	3/28/13	5	APX01133-APX01335
Motion for Leave to Seek Reconsideration or, in the Alternative, for Stay of July 1, 2013 Order and Reinstatement of Stay of February 8, 2013 State Board of Equalization Decision Pending Appeal	7/19/13	8	APX01516-APX01524
Notice of Appeal	7/3/13	8	APX01496-APX01504
Notice of Entry of Order and Judgment for Issuance of Writ of Mandamus	8/30/12	1	APX00057-APX00064

Notice of Entry of Order Granting Defendants' Motion to Dismiss Petitioners' Petition for Judicial Review and Denying Petitioners' Objections to State Board of Equalization Report and Order	7/1/13	8	APX01485- APX01495
Notice of Equalization Hearing	8/28/12	1	APX00054- APX00056
Notice of Equalization Hearing	10/15/12	1	APX00141- APX00142
Notice of Equalization Hearing	11/16/12	1	APX00226- APX00227
Notice of Joinder in "State Board's Opposition to Motion for Leave of Court to File Motion to Intervene"	4/18/13	6	APX00998- APX01000
Notice of Washoe County's Concurrence with "State Board's Report on Execution of Writ of Mandamus" and "Equalization Order"	2/14/13	3	APX00552- APX00568
Objections to State Board of Equalization Report and Order	2/21/13	3	APX00569- APX00643
Oral Arguments Transcript	6/14/13	8	APX01385- APX01479
Order and Judgment for Issuance of Writ of Mandamus	8/21/12	1	APX00051- APX00053
Order Denying Churchill County's Motion to Dismiss	7/5/13	8	APX01505- APX01506

Order Denying Motion for Reconsideration	9/4/13	8	APX01590- APX01593
Order Granting Defendants' Motion to Dismiss Petitioners' Petition for Judicial Review and Denying Petitioners' Objections to State Board of Equalization Report and Order	7/1/13	8	APX01480- APX01484
Petition for Judicial Review	3/8/13	4	APX00652- APX00759
Petitioner's Response to Churchill County Assessor Motion to Dismiss	6/7/13	8	APX01376- APX01379
Petitioners' Response to Pershing County Assessor Motion to Dismiss	5/10/13	8	APX01366- APX01369
Points and Authorities in Opposition to County Respondents' Motion to Dismiss	4/22/13	6	APX01001- APX01009
Points and Authorities in Opposition to State Board of Equalization Motion to Dismiss	4/23/13	6	APX01016- APX01084
Reply Points and Authorities in Support of Motion for Leave to Seek Reconsideration or, in the Alternative, for Stay of July 1, 2013 Order and Reinstatement of Stay of February 8, 2013 State Board of Equalization Decision Pending Appeal	8/13/13	8	APX01583- APX01589
Reply to Plaintiffs'/Petitioners' Opposition to State's Motion to Dismiss	5/3/13	7	APX01101- APX01132

Reply to State Board of Equalization's Opposition to the Bakst Intervenors' Motion to Intervene (without CD attachment of Assessor Schedules)	4/24/13	6	APX01085- APX01100
Respondent Celeste Hamilton's Motion to Dismiss	4/22/13	6	APX01010- APX01015
SBOE Agenda for December 3, 2012 Hearing (amended)	11/28/12	1	APX00228
SBOE Agenda for November 5, 2012 Hearing	10/31/12	1	APX00143- APX00145
SBOE Agenda for September 18, 2012 Hearing	9/12/12	1	APX00079- APX00083
SBOE Hearing – Agenda Item L – Transcript	9/18/12		APX00093- APX00140
SBOE Hearing – Agenda Item L5 – Transcript	11/5/12	1	APX00146- APX00225
SBOE Hearing – Transcript	12/3/12	2	APX00311- APX00393
State Board of Equalization's Notice of Equalization Order	2/8/13	2	APX00394- APX00410
State Board's Motion to Dismiss Petition for Judicial Review (without exhibits of SBOE November 5, 2012 Hearing – Agenda Item L5 – Transcript and SBOE December 3, 2012 Hearing Transcript)	4/4/13	5	APX00878- APX00902

State Board's Opposition to Motion for Leave of Court to File Motion to Intervene (without exhibits of Petition for Judicial Review, SBOE November 5, 2012 Hearing – Agenda Item L5 – Transcript and SBOE December 3, 2012 Hearing Transcript)	4/15/13	6	APX00959- APX00988
State Board's Opposition to Motion for Leave to Seek Reconsideration and Opposition in Part to Reinstatement of Stay of February 8, 2013 State Board of Equalization Decision	8/5/13	8	APX01535- APX01582
State Board's Report on Execution on Writ of Mandamus	2/12/13	3	APX00411- APX00551
State Board's Supplement to Authorities in Response to Petitioners' Objection	6/10/13	8	APX01380- APX01384
State's Motion to Take Judicial Notice	5/3/13	7	APX01336- APX01352
State's Response to Plaintiffs' Objection to State Board of Equalization Report and Order	3/11/13	5	APX00760- APX00822
State's Surreply to Petitioners' Reply to State Board of Equalization Response to Objections to February 2013 Decision on Equalization	5/8/13	8	APX01336- APX01365
Status Hearing Transcript	8/3/12	1	APX00029- APX00045

Summons with Proof of Service of Petition for Judicial Review on Washoe County	3/19/13	5	APX00823- APX00825
Summons with Proof of Service of Petition for Judicial Review on Washoe County Assessor	3/19/13	5	APX00826- APX00828
Summons with Proof of Service of Petition for Judicial Review on Washoe County Treasurer	3/19/13	5	APX00829- APX00831
Summons with Proof of Service of Petition for Judicial Review on State Board of Equalization	3/19/13	5	APX00832- APX00834
Summons with Proof of Service of Petition for Judicial Review on State of Nevada, Attorney General's Office	3/19/13	5	APX00835- APX00837
Summons with Proof of Service of Petition for Judicial Review on Douglas County Assessor	3/19/13	5	APX00838- APX00840
Summons with Proof of Service of Petition for Judicial Review on City Hall LLC	3/19/13	5	APX00841- APX00843
Summons with Proof of Service of Petition for Judicial Review on Carson City Assessor	3/19/13	5	APX00844- APX00846
Summons with Proof of Service of Petition for Judicial Review on Lincoln County Assessor	3/25/13	5	APX00860- APX00862
Summons with Proof of Service of Petition for Judicial Review on Humboldt County Assessor	3/26/13	5	APX00863- APX00865

Summons with Proof of Service of Petition for Judicial Review on Lander County Assessor	3/27/13	5	APX00866- APX00868
Summons with Proof of Service of Petition for Judicial Review on Mineral County Assessor	4/2/13	5	APX00869- APX00871
Summons with Proof of Service of Petition for Judicial Review on Eureka County Assessor	4/2/13	5	APX00872- APX00874
Summons with Proof of Service of Petition for Judicial Review on Clark County Assessor	4/3/13	5	APX00875- APX00877
Summons with Proof of Service of Petition for Judicial Review on Pershing County Assessor	4/5/13	6	APX00935- APX00937
Summons with Proof of Service of Petition for Judicial Review on Storey County Assessor	4/9/13	6	APX00938- APX00940
Summons with Proof of Service of Petition for Judicial Review on Louise Modarelli	4/11/13	6	APX00941- APX00943
Summons with Proof of Service of Petition for Judicial Review on Elko County Assessor	4/12/13	6	APX00944- APX00946
Summons with Proof of Service of Petition for Judicial Review on Esmeralda County Assessor	4/12/13	6	APX00947- APX00949
Summons with Proof of Service of Petition for Judicial Review on Lyon County Assessor	4/12/13	6	APX00950- APX00952

Summons with Proof of Service of Petition for Judicial Review on Paul Rupp	4/12/13	6	APX00953- APX00955
Summons with Proof of Service of Petition for Judicial Review on White Pine County Assessor	4/15/3	6	APX00956- APX00958
Summons with Proof of Service of Petition for Judicial Review on Churchill County Assessor	4/16/13	6	APX00989- APX00991
Summons with Proof of Service of Petition for Judicial Review on William Brooks	4/16/13	6	APX00992- APX00994
Summons with Proof of Service of Petition for Judicial Review on Nye County Assessor	4/17/13	6	APX00995- APX00997
Taxpayers' Rebuttal Brief to SBOE	11/30/12	2	APX00262- APX00310
Taxpayers' Submission to SBOE	9/13/02	1	APX00084- APX00092
Washoe County's Brief to the Nevada State Board of Equalization Regarding Statewide Equalization	11/28/12	2	APX00235- APX00261
Writ of Mandamus	8/21/12	1	APX00049- APX00050



1 **3835**  
2 CATHERINE CORTEZ MASTO  
3 Attorney General  
4 DAWN BUONCRISTIANI  
5 Deputy Attorney General  
6 Nevada Bar No. 7771  
7 100 North Carson Street  
8 Carson City, Nevada 89701-4717  
9 Telephone: (775) 684-1129  
10 Facsimile: (775) 684-1156  
11 Email: [dbuoncristiani@ag.nv.gov](mailto:dbuoncristiani@ag.nv.gov)  
12 *Attorneys for the State Board of Equalization*

13 **IN THE SECOND JUDICIAL DISTRICT OF THE STATE OF NEVADA**  
14 **IN AND FOR THE COUNTY OF WASHOE**

15 VILLAGE LEAGUE TO SAVE INCLINE ASSETS,  
16 INC., a Nevada non-profit corporation, on behalf  
17 of their members, and others similarly situated;  
18 MARYANNE INGEMANSON, trustee of the  
19 LARRY D. AND MARYANNE B. INGEMANSON  
20 TRUST; DEAN R. INGEMANSON, individually  
21 and as trustee of the DEAN R. INGEMANSON  
22 TRUST; J. ROBERT ANDERSON; and LES  
23 BARTA, on behalf of themselves and others  
24 similarly situated,

25 Plaintiffs,

26 vs.

27 THE STATE OF NEVADA, on relation of the  
28 STATE BOARD OF EQUALIZATION; WASHOE  
COUNTY; and BILL BERRUM, WASHOE  
COUNTY TREASURER,

Defendants.

**Case No. CV03-06922**

**Dept. No. 7**

**STATE BOARD'S REPORT ON EXECUTION OF WRIT OF MANDAMUS**

Respondent State of Nevada ex rel. State Board of Equalization (State Board) by and through its counsel Catherine Cortez Masto, Attorney General, by Dawn Buoncristiani, Deputy Attorney General, hereby reports to this Court, State Board's execution of this Court's Writ of Mandamus (Writ) issued on August 21, 2012.<sup>1</sup>

The Writ directed the State Board to hold public hearings to "determine the grievances of property owner taxpayers regarding the failure, or lack, of equalization of real

<sup>1</sup> This Report is made pursuant to the requirement of the Writ for a report back to the Court no later than 180 days after of the Writ was issued.

1 property valuations throughout the State of Nevada for the 2003-2004 tax year and each  
2 subsequent tax year to and including the 2010-2011 tax year, . . .” See Writ, p. 1. The  
3 State Board held public hearings on September 18, 2012, November 5, 2012 and  
4 December 3, 2012.

5 In response to the Writ directing the State Board to hold its first public hearing “not  
6 more than 60 days after the date of the writ’s issuance. . . .” the State Board met on  
7 September 18, 2012, to hear taxpayer grievances.<sup>2</sup> See Writ, pp. 1-2. See Record for Writ  
8 of Mandamus Hearing in Imaged format (3CDs) and Agency Certification (Record), CD 1, 1.  
9 Notices and 2. Agendas. The State Board elected to “cause published notices” of the  
10 equalization hearing “to be made in the press”.<sup>3</sup> NRS 361.380. The notice was placed in 21  
11 newspapers across the State. See Record, CD 1, 1. Notices. On August 28, 2012, a  
12 Notice of Hearing was sent to Plaintiffs through attorney, Suellen Fulstone. See Record,  
13 CD 1, 1. Notices.

14 On September 18, 2012, the State Board hearing in response to the Writ was video  
15 conferenced between the Carson City Legislative Building and the Las Vegas Legislative  
16 Building as well as eight other locations including Battle Mountain, Caliente, Elko, Ely,  
17 Eureka, Pahrump, and Winnemucca. See Record, CD 1, 3. Transcripts 9-18-12, p. 10. The  
18 hearing was available for live viewing via the internet at the Legislative website:  
19 <http://leg.state.nv.us>. The hearing was also available by teleconferencing through a call-in  
20 number. See Record, CD 1, 1. Notices.

21 At the State Board hearing on September 18, 2012, property owners from four Nevada  
22 counties submitted grievances. Three property owners appeared in person and through  
23 telephone conferencing. See Record, CD 1, 3. Transcripts 9-18-12. Two property owners  
24 from Clark County submitted grievances. The first Clark County property owner was Louise  
25 H. Modarelli (Mordarelli). See CD 1, 3. Transcripts 9-18-12, p. 16. Mordarelli’s grievance  
26 was dismissed because such claim was identical to her individual contested case appeal. Her  
27

28 <sup>2</sup> The State Board held its first meeting within 60 days after the date of the issuance of the Writ on  
August 21, 2012, as required by the Writ. See Writ, p. 2.

<sup>3</sup> Published notices were made through the Nevada Press Association. See CD 1, 1. Notices.

1 individual appeal was heard by the Clark County Board of Equalization (County Board) which  
2 reduced the taxable value of her property. Modarelli did not timely appeal the County Board's  
3 decision to the State Board. In such previous hearing pursuant to NRS 361.360, the State  
4 Board dismissed Mordarelli's appeal for failure to timely appeal. See Record, CD 1, 3.  
5 Transcripts, p. 16; Record, CD 3 of 3 (CD 3), 11. Taxpayer Petitions and Evidence 2012. In  
6 this matter the State Board dismissed Mordarelli's claim because her claim was for her  
7 individual property valuation and there was no equalization component to such claim. See  
8 Record, CD 1, 3. Transcripts 11-5-12, pp. 6-11.

9 The second Clark County property owner was City Hall, LLC (City). City made a  
10 claim regarding the taxable value of its property after an exemption from taxation was  
11 removed when the property was purchased by City. See Record, CD 1, 3. Transcripts 9-18-  
12 12, pp. 12-14; CD 3, 10. Taxpayer Briefs Equalization Hearing Sept 2012. The Chairman  
13 asked City's attorney, William McKean, a question regarding City's claim. Did City want the  
14 State Board to make sure the assessor: (1) correctly assessed a property pursuant to the  
15 applicable statutes and regulations; and, (2) then exempted such value if an exemption was  
16 appropriate? City's attorney stated "yes" to the Chairman's question. City then added it  
17 wanted to be able to appeal the taxable value of the property "in January of 2013, so that it  
18 can appeal that current tax year valuation in the upcoming appeal cycle." See Record,  
19 CD 1, 3. Transcripts 9-18-12, pp. 13-14.

20 The State Board dismissed City's individual grievance because the State Board does  
21 not have the authority to grant a property owner the right to appeal a property tax in a year  
22 other than the year established pursuant to NRS Chapter 361. See Record, CD 1, 4.  
23 County Responses 11-5. No timely appeal was filed for the subject property by the appeal  
24 deadline of January 17, 2012. According to public records, City did not own the property  
25 until April 4, 2012. See Record, CD 1, 4. County Responses. The State Board directed the  
26 Department of Taxation (Department) to investigate the issue regarding the proper valuation  
27 of a property the year after such property is no longer tax exempt. NAC 361.663. The issue  
28 is to be "part of a broader performance appraisal question to be applied across all counties."

1 See Record, CD 1, 3. Transcripts 11-5-12, pp. 12-15.

2 One property owner submitted a grievance from Douglas County. H. William Brooks  
3 (Brooks) complained that he was paying a higher tax on his property than the tax paid on  
4 other properties in Genoa. See Record, CD 1, 3. Transcripts 9-18-12, pp. 17-20; CD 3, 11,  
5 Taxpayer Petitions and Evidence 2012. Brooks disputed the classification of agricultural  
6 property and how agricultural property is valued. See Record, CD 1, 3. Transcripts 11-5-12,  
7 p. 27. The Douglas County assessor responded with a review of four parcels explaining  
8 why the differences in valuation were a result of various statutory valuation requirements.  
9 See Record, CD 1, 4. County Responses. The State Board directed the Department to  
10 make the disputed agricultural issues the subject of a future performance audit: the  
11 Department "would look at how assessors are qualifying properties for the agricultural"  
12 designation for property valuation. See Record, CD 1, 3. Transcripts 11-5-12, p. 28.

13 One property owner from Esmeralda County submitted a grievance. Paul Rupp, a  
14 property owner, and Michael Queen explained how they would like to see property tax laws  
15 changed. The State Board took no action on this matter finding it had no authority to  
16 change property tax laws. The Department offered to provide training to the Esmeralda  
17 County Board of Equalization on general procedures for its hearings. See Record, CD 1, 3.  
18 Transcripts 11-5-12, p. 38.

19 One group of Washoe County property owners submitted an equalization grievance.  
20 Such property owners from Incline Village and Crystal Bay (Incline) were represented by  
21 Suellen Fulstone. See Record, CD 1, 3. Transcripts 9-18-12, pp. 30-46; CD 3, 11. Taxpayer  
22 Petitions and Evidence 2012. Incline stated there were some 1300 property owners whose  
23 interests were represented at the hearing; however, the claim was for equalization of all  
24 residential property in Incline. See Record, CD 1, 3. Transcripts 9-18-12, pp. 30-31.

25 Incline's position was "[t]he [Nevada] Supreme Court (Supreme Court) has  
26 determined that the 2002 appraisal was unlawful and that the valuations reached in that  
27 appraisal were null, void, and unconstitutional. . . . Equalization under the constitution,  
28 which requires uniform and equal taxation, requires that all of the valuations of residential

1 property at Incline Village and Crystal Bay be set for those years at the 2002-2003  
2 constitutional levels." See Record, CD 1, 3. Transcripts 9-18-12, pp. 31-33, 39. Pursuant to  
3 *State Board of Equalization, et al. v. Bakst, et al.*, 122 Nev. 1403, 1408, 148 P.3d 717  
4 (2006) four methods were determined to be invalid and unconstitutional: adjustments for  
5 view, adjustments for time, adjustments for teardowns, and adjustments for beach type.  
6 See Record, CD 1, 3. Transcripts 9-18-12, pp. 44-45; 11-5-12, p. 39. The Chairman  
7 questioned whether one or all of these methodologies were applied to all residential  
8 property in Incline. See CD 1, 3. Transcripts 9-18-12, pp. 43-44.

9 For relief, Incline requested that after setting residential property land values at the  
10 2002-2003 level, a factor, as approved by the Nevada Tax Commission, be applied which  
11 would result in a total taxable value for each property. See Record, CD 1, 3. Transcripts 9-  
12 18-12, pp. 38; 3; 11-5-12, p. 56. At the September 18, 2012 hearing, Incline testified the tax  
13 years at issue included 2003-2004, 2004-2005, 2005-2006, and 2007-2008. See Record,  
14 CD 1, 3. Transcripts 9-18-12, pp. 33, 36. However, at the November 5, 2012 hearing,  
15 Incline testified that the tax years under dispute are 2003- 2004, 2004-05, and 2005-06 and  
16 that tax year 2007-2008 was "not at issue here." See Record, CD 1, 3. Transcripts 11-5-12,  
17 pp. 49, 67-68, 90.

18 On November 5, 2012, the State Board held a hearing at which four county  
19 assessors individually responded to the grievances of taxpayers residing within the county  
20 in which each assessor appraises property.<sup>4</sup> See Record, CD 1, Notice and Agenda. See,  
21 State Board of Equalization's Notice of Equalization Order [Equalization Order]. The  
22 Washoe County Assessor (Assessor) responded to Incline's grievances. The Assessor  
23 testified that not all of the Incline residential properties had one of the invalid methodologies  
24 applied to arrive at taxable value. See Record, CD 1, 3. Transcripts 11-5-12, pp. 39, 43.  
25 Incline disagreed testifying that one of the invalid methods was used on all residential  
26 properties in Incline. See Record, CD 1, 3. Transcripts 11-5-12, p. 46. When the Chairman  
27 asked for the specific information or evidence that the methods were used on all Incline  
28

<sup>4</sup> However, all 17 assessors received a notice for the hearing. See CD1. 1. Notices.

1 properties, Incline responded "[y]ou have all of that information in the records of this Board  
2 for those years." See CD 1, 3. Transcripts 11-5-12, p. 49. Later, Incline pointed to the  
3 record again to indicate support for a general equalization down for all properties in Incline.  
4 See Record, CD 1, 3. Transcripts 11-5-12, p. 68.

5 The Department, the state agency that maintains State Board records, testified that  
6 the records Incline requested to be placed in front of the State Board included only  
7 information relating to taxable values for properties which were appealed to the State Board  
8 in past years. The records did not contain information about other properties under  
9 consideration for equalization at Incline. NRS 361.375(11). Incline stated that the record  
10 would provide "more information, in terms of what was done at Incline for those years."  
11 See Record, CD 1, 3. Transcripts 11-5-12, pp. 68-69. State Board members indicated an  
12 interest in information relating to those properties that were not previously appealed  
13 because the Writ addresses general equalization, not individual appeals. See Record,  
14 CD 1, 3. Transcripts 11-5-12, pp. 68-69.

15 Responding to an inquiry from the Chairman, the Department referred the State  
16 Board to NAC 361.652 which defines equalized property. "'Equalized property valuations'  
17 means to ensure that the property in this State is assessed uniformly in accordance with the  
18 methods of appraisal and at the level of assessment required by law." NAC 361.652;  
19 NRS 361.333. The Department testified that the State Board may need to "explore what  
20 happens when you remove those [invalid] methodologies." After the value was removed,  
21 would the properties be valued at the level of assessment required by law? NAC 361.652;  
22 NRS 361.333. See Record, CD 1, 3. Transcripts 11-5-12, pp. 55-56.

23 The State Board expressed concern that it did not have enough information on  
24 exactly which properties the invalid appraisal methods were applied. See Record CD 1, 3.  
25 Transcripts 11-5-12, pp. 58-59, 61-62. The Incline properties which had the invalid  
26 methodologies applied to arrive at taxable value should be identified. See Record, CD 1, 3.  
27 Transcripts 11-5-12, pp. 75-76. The State Board considered Incline's request for relief: set  
28 the base value at the 2002-2003 taxable value and apply Nevada Tax Commission factors

1 each year forward to develop a final taxable value for each Incline property. See Record,  
2 CD 1, 3. Transcripts 11-5-12, pp. 88-90. When asked by the State Board, the Assessor  
3 responded that he could identify residential parcels which had had one of the invalid  
4 methodologies applied to arrive at taxable value. See record, CD 1, 3. Transcripts 11-5-12,  
5 p. 93.

6 The State Board passed a motion directing the Assessor to identify Incline properties  
7 which had one of the invalid methodologies applied to arrive at taxable value for the land.  
8 See Record, CD 1, 3. Transcripts 11-5-12, pp. 100-101. The Assessor was to then reduce  
9 taxable value to the 2002-2003 level and apply the Nevada Tax Commission factor to each  
10 year forward from 2003-2004, 2004-2005 and 2005-2006 to result in a taxable value for  
11 such property. See Record, CD 1, 3. Transcripts 11-5-12, pp. 100-101. The Assessor was  
12 to report back to the State Board to review the Assessor's work at another hearing to  
13 determine if the State Board agreed with the taxable values or if the State Board needed to  
14 continue to deliberate regarding its final action on this matter. See Record, CD 1, 3.  
15 Transcripts 11-5-12, p. 113. The Department suggested that a sales ratio study be  
16 performed on the final taxable values to determine if the level of assessment was consistent  
17 with NRS 361.333. NAC 361.652. See Record, CD 1, 3. Transcript 11-5-12, pp. 98-100.

18 On December 3, 2012, the State Board held a hearing by video conference to  
19 receive information from the Assessor as requested at the hearing on November 5, 2012.  
20 See Supplement to Record for Writ of Mandamus Hearing in Imaged Format (1 CD) and  
21 Agency Certification (Supplement), 1. Agenda. The information included "revised valuations  
22 of properties located in Incline Village and Crystal Bay for the 2003-2004, 2004-2005, and  
23 2005-2006 tax years pursuant to the direction of the State Board at a hearing held on  
24 November 5, 2012;" See Supplement, 1. Agenda. See Exhibit 1 - State Board of  
25 Equalization Transcript of Proceedings Public Meeting, Monday, December 3, 2012  
26 (Transcript), p. 5.

27 The Assessor reported that applying the State Board's directions to value property in  
28 Incline/Crystal Bay as directed at the November meeting would result in reduction in value

1 to most parcels (land) and an increase in value to some parcels. See Transcript, p. 6. The  
2 decrease in value was \$698,000,000 for tax year 2003-2004; \$657,000,000 for tax year  
3 2004-2005; and \$564,000,000 for tax year 2005-2006. See Transcript, p. 6.

4 The State Board Chairman inquired about "the percentage increase . . . during that  
5 period and/or if you had utilized other adjusting techniques in your reappraisal would your  
6 value still have been similar to what you actually had on them in 2003-2004?" The  
7 Assessor responded "yes." See Transcript, pp. 8, 59.

8 Another State Board member inquired if the Assessor was using the same methods  
9 that assessors in other counties were using. See Transcript, p. 13. The Assessor deferred  
10 to the Department of Taxation ("Department"). See Transcript, p. 13. The Department  
11 replied that "all of the assessors make adjustments to value to reflect the effect of a property  
12 characteristic that has significance in the local market. They might not make view [sic]  
13 adjustments or beach adjustments or time adjustments. But they do make adjustments that  
14 are relevant to their market." See Transcript, pp. 16, 24. See Record, CD 1, Transcripts 11-  
15 05-12, p. 57.

16 The Department responded that the results of a performance audit indicated no  
17 exceptions for Washoe County appraisals which means there were no problems found in  
18 Washoe County's procedures for performing appraisals.<sup>5</sup> See Transcript, p. 14. Although  
19 the Performance Audit was approved by the Nevada Tax Commission on March 9, 2012, it  
20 is relevant to prior assessment years because the methodologies discussed in the  
21 Performance Audit "are the same types of methodologies that had been used in the prior  
22 years." See Transcript, p. 14.

23 The Department recommended that if any taxable values that were developed using  
24 the unconstitutional methodologies are revised that a ratio study be performed to ensure the  
25 level of assessment is at the same level as the rest of Washoe County. In other words,  
26 Incline properties will "have the same relationship to taxable value as all other properties in  
27 the county." See Transcript, p. 24. The Department quoted NAC 361.652: "equalized  
28

---

<sup>5</sup> The Department indicated it reviewed sales in Washoe County as far back as 2006.



1 property valuation means to ensure that the property in this state is assessed uniformly in  
2 accordance with the methods of appraisal and at the level of assessment required by law."  
3 See Transcript, p. 24-25. Even if a method is struck down by the Supreme Court," those  
4 properties still have to reach the parameters that are outlined in NRS 361.333, which is for  
5 land, . . . The level of assessment has to be between 32 and 36 percent of the taxable value.  
6 And taxable value for land is defined as market value." See Transcript, p. 25.

7 NRS 361.025. For purposes of equalization "similarly-situated properties are treated  
8 similarly and they should all arrive at the statistical level of assessment and an equal  
9 amount." See Transcript, p. 26. For that reason the Department suggested a sales ratio  
10 study to assure the Incline properties are equalized. See Transcript, p. 27.

11 Incline responded to the Assessor's testimony. See Transcript, p. 27. Although  
12 Incline pointed out that the taxable value of land "is based on comparable sales of vacant  
13 land. . . ." Incline maintained in a taxable value system like Nevada's, not based on market  
14 value, "the uniformity of regulations and uniformity of assessors in following those  
15 regulations is the only basis for assuring constitutional valuation." See Transcript, p. 27.  
16 Incline acknowledged the regulations to value land have been extensively developed since  
17 the earlier set of regulations became effective in 2004 and then in 2009.<sup>6</sup> See Transcript,  
18 p. 30.

19 It was Incline's position that looking at the Department's procedural audit that goes  
20 back as far as to 2006 does not "advance the issue" before the State Board. See  
21 Transcript, p. 30. Incline argued that "for purposes of the board's decision here those  
22 values [tax year 2002] have been deemed to be constitutional by the Supreme Court and as  
23 the basis--- because they weren't unchallenged and become the basis for resetting the  
24 unconstitutional valuations of 2000 - as determined by the courts of 2003-2004." See  
25 Transcript, p. 32. Incline stated and the Department agreed there were no equalization  
26 regulations until 2010. See Transcript, pp. 34-35. However, the Department indicated there  
27 was a regulation "in place for what methodologies that the assessors could use." See  
28

---

<sup>6</sup> The additional land regulations became effective June, 17, 2008. See LCB File R166-07.

1 Exhibit 2 - LCB File No. RO31-03. See Transcript, p. 34. Incline argued "you can't fix  
2 unconstitutional valuation by ratio studies. You can't fix unconstitutional valuation by  
3 factoring. You can't fix valuation done pursuant to unconstitutional methodologies." See  
4 Transcript, pp. 36-37, 55. It is the duty and obligation of the State Board to fix the  
5 valuations created pursuant to unconstitutional methodologies by resetting the values at  
6 2002-2003 valuations. See Transcript, pp. 36-37, 55. The Supreme Court does not "allow  
7 a do-over" and has held that equalization should be the State Board's predominant concern.  
8 Transcript, pp. 39, 43. The remedy is the valuations must go back to 2002. See Transcript,  
9 pp. 39, 55.

10 In response to Incline's comments, the State Board Chairman was concerned about  
11 equalization because looking at the actual valuation numbers returned by the Assessor, "it  
12 throws it out of equalization and it's not fair and equitable values for 03-04, . . ." See  
13 Transcript, pp. 40, 58.

14 David Creekman responded on behalf of the Washoe County parties, the Washoe  
15 County Board of County Commissioners and the Washoe County Treasurer (County). See  
16 Transcript, p. 50. County was concerned that there has "been no analysis of valuation  
17 methods used elsewhere within the State of Nevada. See Transcript, p. 50-51. County  
18 agreed with the Department's definition of equalizing properties. In response to a State  
19 Board member's question, County responded that NAC 361.652 defines "equalized property  
20 values" and that is why the term "value" does not appear within the definition itself. See  
21 Transcript, p. 51. County argued the statutory duty of the State Board had not been  
22 modified in decades and it provides the meaning to a constitutional guarantee of a uniform  
23 and equal rate of assessment and taxation. See Transcript, p. 52. County, therefore,  
24 concurred with the Department that the State Board should perform a ratio study to assure  
25 the valuations comply within the range provided by statute. Transcript, p. 52. County went  
26 on that since the State Board had noticed the hearing pursuant to NAC 361.650 through  
27 NAC 361.667 the State Board must apply the 2010 regulations. Applying such regulations  
28 the State Board has four alternative options. The State Board may: (1) do nothing; (2) refer

1 this matter to the Nevada Tax Commission; (3) order a reappraisal; or (4) adjust values up  
2 or down pursuant to a ratio study. See Transcript, p. 53.

3 Incline opposed County's arguments arguing the "definition of equalization and how  
4 you equalize for purposes of this proceeding is in the Supreme Court decisions." The level  
5 of assessment in NAC 361.652 is thirty-five percent (35%) and the reference to level of  
6 assessment is not a reference to valuation. See Transcript, p. 54. Incline stated it is not  
7 necessary to look at methods applied throughout the Nevada, but to determine the  
8 grievances presented by Incline. See Transcript, p. 55.

9 The Department responded that NAC 361.652 is not isolated from other definitions  
10 and regulations about equalization. Level of assessment is not just a mathematical thing  
11 but the Department looks for "the quality and uniformity of assessment through statistical  
12 analysis." See Transcript, p. 56. The Department stated if removal of the unconstitutional  
13 methods results in valuations that are too low or too high, than part of the equalization  
14 process is to correct such unjust valuations. See Transcript, p. 57. NAC 361.652.

15 The Department pointed out that the regulations in LCB File No. RO31-03, adopted  
16 on August 4, 2004, codifies each of the methods that were formerly held unconstitutional by  
17 the Supreme Court. See Transcript, p. 57; Exhibit - 2.

18 The Chairman closed the hearing and the State Board discussed the Incline issues  
19 and options. One member stated the right option is to reappraise the properties whose  
20 taxable value was determined by applying one of the methods held to be unconstitutional at  
21 the time. Reappraisal would be fair across the board. See Transcript, pp. 60-64. However,  
22 this is in conflict with Incline's opinion that reappraisal is not an option pursuant to Supreme  
23 Court decisions and the remedy is to return valuations to the 2002 tax year level. See  
24 Transcript, pp. 60-63, 65. Another member disagreed stating that the values should remain  
25 unchanged because lowering the values is in conflict with the market values of land going  
26 up at that time. See Transcript, pp. 64-65. Equalization of valuation is the issue. See  
27 Transcript, p. 69. Another member stated that the values should not remain the same  
28 because the values were developed applying unconstitutional methods and the Supreme

1 Court has closed the door to other options. See Transcript, pp. 67-68.

2 In response, the member stated the Supreme Court may have stated that reappraisal  
3 is not an option, but we have a Writ that states "to raise, lower or leave unchanged and so  
4 it's your [State Board's] call." Just following the Supreme Court cases is not applying the  
5 State Board's discretion to raise, lower or leave unchanged taxable values. See Transcript,  
6 p. 70.

7 Another member asked legal counsel for the State Board "I've heard Ms. Fulstone's  
8 testimony that's [reappraise] something we can't do because the Supreme Court told us we  
9 can't. What can we or can't we do as a board?" Legal counsel agreed with the member  
10 who referenced the Writ that leaves the State Board's options open to "raise, lower or leave  
11 unchanged the taxable value of any property for the purpose of equalization." See Writ, p.  
12 1; Transcript, p. 71. Such member struggled with the solution of lowering valuations 1.9  
13 billion dollars in Washoe County creating a level of assessment that is not in conformance  
14 with the law. NRS 361.333. Reappraisal would get the values right by applying regulations  
15 that were correct at the time of the tax years at issue. See Transcript, p. 72. The other State  
16 Board members agreed. See Transcript, pp. 73-75.

17 By motion the State Board voted unanimously to direct the Assessor of Washoe  
18 County to "reappraise all properties for the...03-04, 04-05, and 05-06...in those three tax  
19 years that were unconstitutionally appraised or identified as unconstitutionally appraised  
20 and to determine the new taxable value. And in the event that any of those valuations  
21 increase, to assure that we comply with NRS 361.395(2) (sic)." See Transcript, p. 76.  
22 Further, "whatever the results are from the Washoe County assessor's office that Terry  
23 [Department] prepare a sales ratio study on those to determine if they're at the level of  
24 assessment required by law." NAC 361.652; NRS 361.333. See Transcript, p. 77. The  
25 State Board also unanimously passed a motion to give the Assessor twelve (12) months to  
26 complete the reappraisal. See Transcript, pp. 78-79.

27 Statewide equalization was the final item the State Board considered. See  
28 Supplement, 1. Agenda; Transcript, p. 79. State Board members took no further action

1 based on the Taxpayers' testimony and evidence that had come before the State Board in  
2 the three equalization hearings on September 18, 2012, November 5, 2012, and December  
3 3, 2012. See Transcript, pp. 79-81.

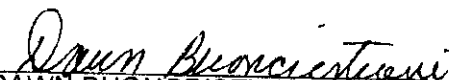
4 In conclusion, the State Board has complied with this Writ because the State Board  
5 has held public hearings to determine the grievances of property owners. See Writ, p. 1.  
6 The State Board has complied with the Writ because it held the first public hearing on  
7 September 18, 2012, which was "not more than 60 days after the date of the writ's  
8 issuance." See Writ, p. 2. The State Board has complied with the Writ because it has  
9 reported and made known to this Court how the Writ "has been executed no later than 180  
10 days after the date of its issuance. . ." See Writ, p. 2. See Equalization Order.

11 **AFFIRMATION PURSUANT TO NRS 239B.030**

12 The undersigned hereby affirms that the above-entitled document filed in the above-  
13 entitled matter does not contain the social security number of any person.

14 Dated: February 11, 2013.

15 CATHERINE CORTEZ MASTO  
16 Attorney General

17 By:   
18 DAWN BUONCRISTIANI  
19 Deputy Attorney General  
20 Nevada State Bar No. 7771  
21 100 N. Carson Street  
22 Carson City, Nevada 89701-4717  
23 (775) 684-1219  
24  
25  
26  
27  
28

Nevada Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701-4717

**CERTIFICATE OF SERVICE**

I certify that I am an employee of the State of Nevada, Office of the Attorney General, and that on February 12, 2013, I served the foregoing **STATE BOARD'S REPORT ON EXECUTION OF WRIT OF MANDAMUS** by depositing for mailing at Carson City, Nevada, a true and correct copy thereof in first class mail, postage prepaid, fully addressed as follows:

Suellen Fulstone, Esq.  
Snell & Wilmer L.L.P.  
50 West Liberty Street, Suite 510  
Reno, Nevada 89501

David Creekman  
Chief Deputy District Attorney  
Washoe County District Attorney's Office  
Civil Division  
Post Office Box 30083  
Reno, Nevada 89520

  
An Employee of the Office of the Attorney General

Nevada Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701-4717

**INDEX OF EXHIBITS TO STATE BOARD'S REPORT  
ON EXECUTION OF WRIT OF MANDAMUS**

**Exhibit No. Description of Exhibit**

- |   |  |
|---|--|
| 1 | State Board of Equalization Transcript of Proceedings Public Meeting,<br>Monday, December 3, 2012 (Transcript), p. 5 |
| 2 | LCB File No. RO31-03   |

Nevada Office of the Attorney General  
100 North Carson Street  
Carson City, NV 89701-4717

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

EXHIBIT 1

EXHIBIT 1



**In The Matter Of:**  
*State of Nevada - State Board of Equalization*  
*Public Meeting*

---

*Monday*  
*December 3, 2012*

---

*Capitol Reporters*  
*515 W. Fourth Street*  
*Suite B*  
*Carson City, Nevada 89703*  
*775-882-5322*

Original File 120312.txt  
Mia-U-Script® with Word Index

STATE OF NEVADA  
DEPARTMENT OF TAXATION  
STATE BOARD OF EQUALIZATION

TRANSCRIPT OF PROCEEDINGS  
PUBLIC MEETING  
MONDAY, DECEMBER 3, 2012

THE BOARD:

TONY WREN, Chairman  
AILEEN MARTIN, Member  
DENNIS MESERVY, Member  
ANTHONY MARNELL III, Member  
BENJAMIN JOHNSON, Member

FOR THE BOARD:

DAWN BUONCRISTIANI, Esq.  
Deputy Attorney General

FOR THE DEPARTMENT:

TERRY RUBALD, Chief, Division  
of Assessment Standards  
ANITA MOORE, Division of  
Assessment Standards

REPORTED BY:

CAPITOL REPORTERS  
BY: CHRISTY JOYCE,  
Nevada CCR #625  
515 West Fourth Street, Ste. B  
Carson City, Nevada 89703  
(775) 882-5322

CAPITOL REPORTERS (775) 882-5322

AGENDA/INDEX

AGENDA ITEM	PAGE
A. Opening remarks by the Chairman; introduction of State Board members, swearing-in	3
B. Public Comment	4
C. For possible action: Equalization of Incline Village and Crystal Bay properties in Washoe County	5
D. For possible action: Statewide equalization	80
E. Briefing to and from the Board and the Secretary of Staff	82
F. Public Comment	82
G. Adjournment	82

CAPITOL REPORTERS (775) 882-5322

1 MONDAY, DECEMBER 3, 2012, 9:03 A.M.

2 ---oOo---

3 CHAIRMAN WREN: Good morning. This is the time  
4 and place for the State Board of Equalization. Today is  
5 December 3rd 2012. I am Tony Wren. I'm the Chair. With me  
6 in Carson City this morning is Ben Johnson. Good morning,  
7 Ben. On the telephone is Aileen Martin. Good morning,  
8 Aileen. In Las Vegas, we have Dennis Meservy. And some place  
9 running around down there is Anthony Marnell. Good morning,  
10 Gentlemen. Thank you, Anthony.

11 MEMBER MESERVY: Good morning.

12 CHAIRMAN WREN: Good to you have you guys this  
13 morning. We have a full board so we will conduct business  
14 this morning. Counsel is Dawn Buoncristiani. Good morning,  
15 Dawn. Good to have you. Good morning, Terry. If you could  
16 please introduce yourself and staff please.

17 MS. RUBALD: Good morning, Mr. Chair. I'm Terry  
18 Rubald. I'm chief of the Local Government Services Division.  
19 And with me today is your coordinator, Anita Moore, and her  
20 staff, Janie Ware and Keri Gransbery.

21 CHAIRMAN WREN: Okay. Thank you very much.  
22 Again, we'll be reporting this. And Christy is typing down  
23 everything we say today, so I want to remind everybody that we  
24 can only speak one at a time. I will try not to interrupt  
25 each other and you not to interrupt us so we can get a good

CAPITOL REPORTERS (775) 882-5322

1 record today.

2 Dawn, if I can have you swear in everybody.

3 MS. BUONCRISTIANI: Please stand and raise your  
4 right hand if you intend to testify today, please.

5 (Witnesses were sworn in)

6 MS. BUONCRISTIANI: Be seated.

7 CHAIRMAN WREN: Okay. First thing, according to  
8 law, I need to ask if we have any public comments. Would  
9 anybody like to give public comment first thing this morning?  
10 None. Okay. Good.

11 Terry, do you want to call our agenda?

12 MS. RUBALD: Certainly, Mr. Chairman. The first  
13 item is under Section C, Sub A -- And before we get to that  
14 actually I wanted to point out to you the purpose of all these  
15 boxes. This is the complete record as we know it for the  
16 Department of Taxation. There have been requests by  
17 Ms. Fulstone for the record and she asserted that we didn't  
18 provide the record to her. As you can see, these are all the  
19 boxes from the prior years with the case history.  
20 Unfortunately we don't have the resources to reduce them to a  
21 CD for convenience, but we would be happy to work with any  
22 party to provide whatever portion of this record that they  
23 need to see. What is not in this record yet is the Bakst and  
24 Barta case histories from the attorney general, and I  
25 understand that that office is working to provide us that.

CAPITOL REPORTERS (775) 882-5322

1 But I think that we need a little more information on the case  
2 number is my understanding.

3 MS. BUONCRISTIANI: I believe my assistant was  
4 wanting to know exactly which case -- which cases they wanted.  
5 I'm thinking it is probably the two Supreme Court cases, but  
6 we need confirmation on that.

7 MS. RUBALD: I will try to obtain that from the  
8 parties so that we have a complete record for you.

9 CHAIRMAN WREN: Okay. I'm kind of thinking since  
10 Ben is our newest member maybe we should have him start  
11 reading through it today and then we'll proceed.

12 MEMBER JOHNSON: I'd love to.

13 CHAIRMAN WREN: Yeah. That's what I thought. I  
14 think I've read every piece of it six times over the last six  
15 years. Thank you very much, Terry.

16 MS. RUBALD: Okay. So anyway on your agenda,  
17 first up is the report from the Washoe County assessor  
18 regarding the revised valuations of properties located in  
19 Incline Village and Crystal Bay for the 2003-4, 2004-5 and  
20 2005-6 tax years pursuant to the direction that this board  
21 gave at your hearing on November 5th 2012.

22 CHAIRMAN WREN: Okay. Good. Good morning,  
23 Mr. Wilson.

24 MR. WILSON: Good morning, Mr. Chairman. Josh  
25 Wilson, Washoe County Assessor. Pursuant to your request made  
CAPITOL REPORTERS (775) 882-5322

1 on November 5th, I was asked to compile a list of parcels in  
2 the Incline Village and Crystal Bay area which were subject to  
3 one of the four methodologies deemed unconstitutional by the  
4 Nevada Supreme Court. Those lists were provided to the  
5 Department of Taxation as well as a Village League member who  
6 requested them on November 28th. Those lists contained three  
7 separate files: One for the 2003, 2004 fiscal year, one for  
8 the 2004-2005 fiscal year and one for the 2005-2006 fiscal  
9 year. The lists include the assessor's parcel number, the  
10 current 2003-2004 taxable land value on the roll or applicable  
11 year based on which file you're looking at, a column  
12 representing a land rollback to the 2002-2003 level for the  
13 03-04 list as well as for the 04-05 list. And the 05-06 list  
14 has that rollback land value factored by 1.08, which  
15 represents the land factor approved by the Nevada Tax  
16 Commission for that year in area one.

17 As you can see from the lists, the total  
18 reduction in value for the first year equates to 698 million  
19 dollars and some change. For the 04-05 year the difference is  
20 minus 657 million dollars and some change. And for the 05-06  
21 year, the difference in value equates to roughly 564 million  
22 dollars. That is the total reduction in value.

23 You will see some of those parcels contained  
24 within each of the lists actually saw their values increased.  
25 While it was a small majority, not all the values were lower  
CAPITOL REPORTERS (775) 882-5322

1 in 2002 and 2003. So I'm not sure how the board would like to  
2 handle those.

3 And we've also listed on each of the files the  
4 owner that the assessor had of record in each of the  
5 corresponding years. I don't know if any of these or all the  
6 owners are the current owners or not. Typically properties  
7 transferred at the lake, so I would assume that this does not  
8 represent the list of current owners for the associated  
9 parcels on each of the lists.

10 With that, Mr. Chairman, I would be happy to  
11 answer any questions you might have regarding the list or  
12 anything else.

13 CHAIRMAN WREN: It seems -- It looks to me like  
14 doing the math is a pretty big disparity between 2002 -- I'm  
15 sorry. 2,000 -- Yeah, 2002-2003, 2003-2004. If you can,  
16 explain to us the difference between a 1.8 percent increase  
17 and what your actual market indicators were that you adjusted  
18 up for that year.

19 MR. WILSON: Well, the eight percent land factor  
20 was derived analyzing the non-rollback land values, assessed  
21 land values to the land sales that took place within the given  
22 factor year. So what the eight percent factor represents is  
23 the factor required to bring the median land factor ratio to  
24 .3 percent for area one in Washoe County.

25 CHAIRMAN WREN: Okay. So 2003 -- 2,000 --  
CAPITOL REPORTERS (775) 882-5322



1 2003-2004 was the reappraisal year?

2 MR. WILSON: That's correct.

3 CHAIRMAN WREN: And I normally ask this before  
4 and I'm asking it as an appraiser because it doesn't make  
5 sense to me to roll everything back in 2002 values when we  
6 know that the market was increasing dramatically but not as  
7 dramatically as it did in '03, '04, '05. The market was  
8 increasing back then.

9 My concern in just saying these are the right  
10 values is it makes more sense to me to ask you, utilizing this  
11 information what would the percentage increase be during that  
12 period and/or if you had utilized other adjusting techniques  
13 in your reappraisal would your value still have been similar  
14 to what you actually had on them in 03-04?

15 MR. WILSON: My answer would be yes. During the  
16 2006-7 hearing before the State Board of Equalization as well  
17 as the 2007-8 hearings before the State Board of Equalization,  
18 which all occurred in 2007 for the most part because of the  
19 pending stay by the Supreme Court, there was a lot of  
20 information in the record which said or articulated what the  
21 factor would have been if we would have applied it to the  
22 rollback number versus the non-rollback number.

23 And clearly, if you look at this on a value  
24 basis, none of the properties at the lake ever were excessive  
25 as measured by the taxable value exceeding their market value.  
CAPITOL REPORTERS (775) 882-5322

1 There were many ratio studies ran during those years in  
2 question, which clearly demonstrated there was not excessive  
3 valuation. It's the most troubling part of the Bakst decision  
4 that I've had to deal with is the demonstration or perhaps not  
5 the demonstration but the conclusion that there was harm as  
6 measured by the traditional measure of a hundred years of case  
7 law would have indicated.

8 The traditional measure of harm when it came to  
9 assessment was whether the taxable value exceeded the market  
10 value and then you could measure.

11 What the Court concluded in the Bakst decision  
12 was improper application of methodology created excessive  
13 valuation because of the lack of regulation being promulgated  
14 by the Nevada Tax Commission.

15 I understand your quandary, Mr. Chairman. You're  
16 an appraiser. You're looking at the taxable value, land value  
17 as it relates to the market value. In this particular case  
18 there was never an excessive valuation determined through that  
19 analysis. However, our values were deemed unconstitutional  
20 because the generally accepted appraisal methodologies that we  
21 utilized were not codified by the Nevada Tax Commission.

22 CHAIRMAN WREN: Okay. And the other thing that I  
23 want to put on the record again is I have a problem with that,  
24 you know, what's codified and what's not codified. You as the  
25 assessor are charged with assessing, appraising the  
CAPITOL REPORTERS (775) 882-5322

1 properties. Two of the things that were ruled  
2 unconstitutional are time adjustments or marketing adjustments  
3 and/or parasales analysis. Parasales analysis by its  
4 definition is the basis of direct sales and parasales  
5 approach. Parasales analysis you can't appraise without  
6 looking at parasales analysis is the basis. Would you agree  
7 with that?

8 MR. WILSON: In an appraisal, the sales are the  
9 only answers you have and you need to adjust those sales to  
10 arrive at the subject's indication of value. And so yes, the  
11 sales drive everything in an appraisal.

12 CHAIRMAN WREN: Regardless of what you call it?  
13 In other words, starting with parasales analysis, if you have  
14 two properties that are identical with the exception of one  
15 item, the typical explanation is a three-bedroom,  
16 two-bathroom, 1200 square foot house. The one next door is  
17 exactly the same house except the one next door has a  
18 fireplace. The one next door sells for \$105,000. The one  
19 without a fireplace sells for a hundred thousand dollars. The  
20 parasales analysis tells you that a fireplace is worth \$5,000.  
21 So I'm assuming you and all of the other assessors go to the  
22 market and look at what the property sells for and analyze why  
23 they sell for that price and what the differences are;  
24 correct?

25 MR. WILSON: That's correct.  
CAPITOL REPORTERS (775) 882-5322

1           CHAIRMAN WREN: So regardless of whether you call  
2 it, a time adjustment or a tear down adjustment or whatever  
3 other name you give to it, there is reasons that properties  
4 sell; is that correct?

5           MR. WILSON: That's correct.

6           CHAIRMAN WREN: And it's your job to make  
7 adjustments for those differences?

8           MR. WILSON: Yes.

9           CHAIRMAN WREN: Okay. All right. I'm not going  
10 to ask any other questions, but I'll open it up to the other  
11 members. Do you want me to start in Vegas? Dennis.

12          MEMBER MESERVY: Mr. Chairman, yeah, I guess my  
13 concern has always been whether that changes the market value  
14 even though they did use certain methodologies that maybe the  
15 Supreme Court didn't approve at the time in the regs. And I  
16 guess my question would be considering what you just asked and  
17 it sounds like is it -- would the market value then be pretty  
18 close to what it would have been originally appraised or not  
19 and what would have been the difference based on that?

20          CHAIRMAN WREN: Okay.

21          MEMBER MESERVY: This is for Josh, the assessor  
22 in Washoe County.

23          MR. WILSON: Yes. Member Meservy, as I  
24 indicated, the recommended factor to the Nevada Tax Commission  
25 of a percent justifies that the land value was in -- within

CAPITOL REPORTERS (775) 882-5322

1 acceptable tolerances pursuant to the range provided for in  
2 statute of .3 to .35 percent. In fact, we generally -- When  
3 we were developing land factors for Washoe County, we always  
4 targeted the lower end of the range at .3 and not the middle  
5 of the range. But I feel it still validates that the  
6 non-rollback land value was within acceptable tolerance and  
7 that land -- that recommended land factor was reviewed by the  
8 Department of Taxation and ultimately approved by the Nevada  
9 Tax Commission for that fiscal year.

10 MEMBER MESERVY: I'll leave more comments for  
11 later.

12 MEMBER MARNELL: Good morning, Mr. Chairman. I  
13 don't have any questions at this time.

14 CHAIRMAN WREN: Okay. Aileen, are you out there?

15 MEMBER MARTIN: Yes, I'm here.

16 CHAIRMAN WREN: Do you have any questions?

17 MEMBER MARTIN: Not yet. Thank you.

18 CHAIRMAN WREN: Okay. Ben.

19 MEMBER JOHNSON: Yeah, I do. My apologies of the  
20 board as I went through these. I'm new. Let me know if these  
21 are already in the record. I'm curious of the methodologies  
22 that were used to deem that constitutional. First, if you  
23 know what were the other assessors in the state doing to value  
24 properties. I imagine they had to have been using parasales  
25 analyses or similar studies, they had to be taking view in to  
CAPITOL REPORTERS (775) 882-5322

1 account. I'm curious if you know what the other assessors in  
2 the state were doing and if your office was following similar  
3 practices as them or if you guys were doing something  
4 different.

5 MR. WILSON: Well, ultimately I don't know  
6 exactly what all the other assessors were doing in their  
7 counties. But I would certainly assume that they were  
8 analyzing the comparable sales similarly and were valuing the  
9 attributes of property such as view accordingly.

10 I don't know if this is fair or not, but perhaps  
11 that question might be better directed at the Department of  
12 Taxation because they do once every three years through the  
13 ratio study do an in-depth analysis of the work practices of  
14 each assessor throughout the state and perhaps they would be  
15 better to answer that particular question.

16 MEMBER JOHNSON: Okay. Terry, is that a fair  
17 question to ask?

18 MS. RUBALD: It certainly is. And I'm prepared  
19 to respond. Although it's actually I wanted to address that  
20 as part of my rebuttal in this next section, but I'd be happy  
21 to answer it for you now.

22 MEMBER MESERVY: We can't hear anything.

23 MS. RUBALD: Okay.

24 MEMBER MESERVY: Now we can.

25 MS. RUBALD: Basically I wanted to refer you to  
CAPITOL REPORTERS (775) 882-5322

1 the performance audit in your record. It's number 1,001 on  
2 land valuation methodologies used by county assessors. Now,  
3 this audit was approved by the Nevada Tax Commission on March  
4 9th 2012. You might ask how is this relevant to prior years.  
5 And it's my belief that the methodologies that we talked about  
6 in this performance audit are the same types of methodologies  
7 that had been used in the prior years.

8 And I wanted to specifically refer you to the  
9 audit of Washoe County, which is contained in Section 20 of  
10 the report. And that audit was based on interviews of the  
11 assessor and the staff as well as review of state laws and  
12 regulations, policies and procedures, significant to land  
13 valuation, documented specific work flows related to land  
14 valuation. We discussed the types of properties classified in  
15 each major land use code used in the county. We documented  
16 and assessed the internal controls in the assessor's office  
17 over land valuation practices and procedures. We tested  
18 controls designed to capture all the relevant documents to  
19 check input and to control access for change to records. We  
20 also traced 59 deeds randomly selected from the Washoe County  
21 recorder's records to a sales database maintained by the  
22 county assessor which stems from July 2006 through June 2009.

23 And after doing all of that, our findings were  
24 that there were no exceptions. It's an audit term, meaning  
25 there were no problems found in the procedures.

CAPITOL REPORTERS (775) 882-5322

1           To determine the effectiveness of the assessor's  
2 office processes for verifying sales data, we calculated the  
3 ratio of the assessed value at the time of sale for the sale  
4 price for each of the 59 deeds referred to above and we  
5 discussed with the assessor the sales with ratios either less  
6 than 20 percent or more than 40 percent with their staff. We  
7 also looked up the notes in Washoe County's computerized  
8 appraisal system documenting verification processes undertaken  
9 for the 59 deeds. We also tested the controls for input in to  
10 the system and controls to access and to change records.  
11 Again, there were no exceptions.

12           To evaluate whether the market stratum used by  
13 the assessor's office were appropriated, we obtained maps and  
14 listings of market areas defined by the assessor's office. We  
15 also interviewed personnel on the use of the defining market  
16 areas. The sales comparison approach was used in each of the  
17 market areas selected. We reviewed the documentation for ten  
18 market areas and the results of the analysis. For example,  
19 baseline value compared to unit value and site adjustments  
20 particular to that particular market.

21           Cross-referenced to parcel numbers included in  
22 the market areas were available on the maps and listing. We  
23 evaluated whether the size and types of the defined market  
24 were appropriate. We also reviewed the sales extracted to  
25 analyze the market area and any further sales verification  
CAPITOL REPORTERS (775) 882-5322



1 processes undertaken.

2 Finally, we reviewed adjustments to sales prices  
3 and market analysis supporting site adjustments. There were  
4 no exceptions.

5 So I would urge you to consider the entire  
6 performance audit report, not only on Washoe County but for  
7 the rest of the state.

8 And one of the things that you might observe is  
9 that all of the assessors make adjustments to value to reflect  
10 the effect of a property characteristic that has significance  
11 in the local market. They might not make few adjustments or  
12 beach adjustments or time adjustments. But they do make  
13 adjustments that are relevant to their market.

14 And I think I will just leave the rest of my  
15 comments for the rebuttal. But the audit, the performance  
16 audit was probably the most in-depth study we've ever done for  
17 procedures in assessor's offices.

18 The ratio studies that we annually do, and it's  
19 also in your record, we also looked at work practices during  
20 those years. But this -- In this performance audit we had all  
21 of the typical procedures that you would find in, for  
22 instance, performance audits performed by the Legislative  
23 Council Bureau. So it was very thorough.

24 MEMBER JOHNSON: Thank you very much for that.

25 And what years were covered by the performance audit?  
CAPITOL REPORTERS (775) 882-5322

1 MS. RUBALD: Well, as I stated, it was approved  
2 in 2012 and it was performed over a period from 2010 to 2011  
3 and this, for instance, in the Washoe County case we looked at  
4 sales back to 2006.

5 MEMBER JOHNSON: Question for you, Josh, is have  
6 you -- there's these methodologies which have been deemed  
7 unconstitutional. I'm curious what's happened subsequently.  
8 You guys are obviously still assessing property at the Lake  
9 Tahoe basin. You're still trying to take in to account all of  
10 the individual elements of comparisons, difference and  
11 attributes of properties. Have you changed anything in how  
12 you're doing your work at the lake since 02-03 in order to  
13 comply with --

14 MR. WILSON: Well, an awful lot of work has been  
15 done, not only in our office but through the Department of  
16 Taxation and the Nevada Tax Commission with updating those  
17 regulations that govern the assessment of land in Washoe  
18 County.

19 There was some substantial revisions that took  
20 place over 33 workshops, I believe, and were ultimately  
21 codified in 2004, if I recall correctly. And then those  
22 regulations were further ratified and updated in 2007, I  
23 believe, if I recall correctly, and ultimately approved some  
24 time in 2008 or so.

25 To answer your question, an assessor or any  
CAPITOL REPORTERS (775) 882-5322

1 appraiser's job is to determine those factors that drive value  
2 and ultimately use those in estimating a land value. So do we  
3 still consider the view of Lake Tahoe in our assessment of  
4 Incline Village and Crystal Bay? Absolutely. View increases  
5 the land value at the lake. Are we still doing parasales  
6 analysis? Yes. By law we have to have verifiable market  
7 evidence pursuant to the newly adopted regulations before we  
8 can make any sort of adjustment. And the regulation provides  
9 for parasales analysis being one of those techniques we can  
10 utilize to estimate the difference that a certain attribute  
11 may either increase the value or perhaps decrease the value if  
12 it's a negative attribute. Are we still looking at tear downs  
13 as an indication of land value? Yes. The regulations  
14 authorize it. We have to follow those methods. The  
15 regulations refer to those as complete obsolescence of an  
16 improvement.

17 But when an approved property reaches the end of  
18 its economic life and it is more profitable for the investor  
19 to tear down the improvement and rebuild it to the property's  
20 highest and best use, tear downs will occur. It's happening  
21 significantly in the downtown area. Again, it's economics.  
22 It may happen in not so old of a neighborhood if it makes  
23 sense from a highest and best use standpoint.

24 So yes, those sales that are torn down and we  
25 acknowledge the contributory value of the improvement when we  
CAPITOL REPORTERS (775) 882-5322

1 analyze the sale, yes, we are still looking at tear downs.

2 And the type of lake frontage does affect the  
3 land value based on our analysis of comparable sales. So yes,  
4 the generally accepted appraisal practices, techniques that  
5 were utilized at the 2003 reappraisal are currently still  
6 being utilized. Are they utilized exactly in the same manner?  
7 No. Why? Because we've had further clarification from the  
8 Nevada Tax Commission as to utilize those techniques.

9 But if those attributes affect value, it is our  
10 job to account for them pursuant to 361.228, which clearly  
11 says in the case of view that it's not an intangible and must  
12 be considered in the value of the land if appropriate.

13 CHAIRMAN WREN: In your 2002-2003 analysis and  
14 prior -- I understand that you weren't the assessor then but  
15 if you can answer this, please do -- you still had to analyze  
16 values in Washoe County and make adjustments for differences  
17 between them; is that correct?

18 MR. WILSON: Yes.

19 CHAIRMAN WREN: So regardless of what they were  
20 called, you still had to analyze the market and if you will  
21 make adjustments for what were considered relevant and  
22 characteristics between properties?

23 MR. WILSON: Yes.

24 CHAIRMAN WREN: And that's exactly the same thing  
25 you did in 2003-2004, you just gave them names that deem it  
CAPITOL REPORTERS (775) 882-5322

1 unconstitutional?

2 MR. WILSON: I guess that's a way of putting it,  
3 yes.

4 CHAIRMAN WREN: I think it's very important.  
5 Because you weren't doing anything different. Everybody keeps  
6 going back to 2002-2003 saying this is the constitutional way  
7 of doing it. Were you doing it any different then?

8 MR. WILSON: No. 2002 values I utilized view  
9 classification systems and other analysis of land sales. The  
10 difference with '02 is it was a lower value. Those practices  
11 were acknowledged by the Department of Taxation in our, again,  
12 if I recall correctly, '93 ratio study of Washoe County. The  
13 view classification system was noted. In fact not applauded  
14 but they said it was a good way to try to consistently analyze  
15 the view influence of Lake Tahoe. I'm paraphrasing it, of  
16 course, but that's what I recall reading from that study,  
17 which again was conducted before I was even in the office.  
18 But I did review it back when all of this was very -- being  
19 reviewed by this board in '06 and '07.

20 CHAIRMAN WREN: And then my last question is did  
21 differential in values between 2002-2003 and 2003-2004 were  
22 those value differences due to market changes or the way the  
23 assessors appraised the properties?

24 MR. WILSON: It was probably a combination of  
25 both. Certainly you have the dot com boom which really  
CAPITOL REPORTERS (775) 882-5322

1 influenced the Lake Tahoe valuation in the early 2000s. Prior  
2 to 2003, our land values were determined through a factor  
3 analysis and so the last reappraisal we had conducted at Lake  
4 Tahoe was for the 98-99 fiscal year. And then there were  
5 factors approved in the intermittent years until we did the  
6 full reappraisal for the 03-04 fiscal year.

7 CHAIRMAN WREN: Okay.

8 MR. WILSON: So I think the properties were  
9 looked at more closely during a reappraisal year and that  
10 might lead to the -- my response that the methodologies were  
11 different. 03-04 was a reappraisal. Prior to that, every  
12 year leading back to 98-99 was a factor year.

13 CHAIRMAN WREN: Okay. And I guess -- Let me just  
14 clarify my question. I think it's important to put on the  
15 record that there was a dramatic change in the economy in  
16 values, an increase in values in all of Nevada and all of  
17 Washoe County between those years.

18 MR. WILSON: Yes, that would be correct.

19 CHAIRMAN WREN: All right. Any other questions?  
20 Ben.

21 MEMBER JOHNSON: I just wanted to understand the  
22 factor of 1.08. And I'll start with what is area one, what  
23 geographic area does that include?

24 MR. WILSON: Basically that was our reappraisal  
25 area, which was the entire --

CAPITOL REPORTERS (775) 882-5322

1           CHAIRMAN WREN: And in case we didn't tell you,  
2 the audience, that they have a new phone system here so every  
3 15 minutes that's going to happen. So we're just going to cut  
4 it off and let them fix it.

5           MR. WILSON: Yeah. We're all going through phone  
6 changes. Hopefully this isn't voip because I'm scared of voip  
7 in my office.

8           Where was I in what was I saying?

9           MEMBER JOHNSON: You were on area one.

10          MR. WILSON: Okay. Area one represents our  
11 traditional reappraisal areas whereby which we cut the county  
12 in to fifths. So area one is the southern most portion of the  
13 county, which includes Incline Village and Crystal Bay and  
14 goes up to probably very roughly Foothill Road kind of, for  
15 lack of a -- I mean the line isn't just a straight line. Area  
16 two starts right around there somewhere.

17          MEMBER JOHNSON: So it includes areas outside of  
18 the Lake Tahoe basin?

19          MR. WILSON: Yes, that's correct.

20          CHAIRMAN WREN: Okay. Anything else? Okay.  
21 Seeing none, Josh, I'm going to ask to you stick around. We  
22 might recall you.

23          MR. WILSON: Thank you, Mr. Chairman.

24          CHAIRMAN WREN: Okay. Terry.

25          MS. RUBALD: Mr. Chairman, the next item is under  
CAPITOL REPORTERS (775) 882-5322

1 Section C Sub B, rebuttal of any affected party to the report  
2 of the Washoe County assessor and to any proposed equalization  
3 action. And I guess before anybody steps up I'll make my  
4 remarks if I may.

5 CHAIRMAN WREN: You may.

6 MS. RUBALD: I just wanted -- And I've really  
7 given you the bulk of my remarks, but I wanted you to know  
8 that as chief of the Local Government Services Division I  
9 serve not only as your staff but I'm responsible for a number  
10 of programs administered by the division. For example, the  
11 locally assessed section of the division is a group of  
12 appraisers which perform appraisals on a sample of properties  
13 throughout the state on a county rotational basis for the  
14 purpose of preparing what is known as the ratio study.

15 And we have a newly created audit section which  
16 now does performance audits as well as the practices of county  
17 assessors.

18 So the ratio study is performed according to NRS  
19 361.333 and the purpose is to assist the Tax Commission in  
20 determining whether the property has been assessed equitably.  
21 The ratio study, as you know, is a statistical analysis  
22 designed to study and perform the assessment.

23 And so I would like to note for your record that  
24 the record does contain the ratio studies for each year  
25 between 2001-2 and 2010-11 and that's on the third disk of the  
CAPITOL REPORTERS (775) 882-5322



1 three disks labeled one, two and three.

2 And in the 2002-2003 ratio study, the sample of  
3 properties for Washoe County indicated an overall median  
4 assessment level of 34.5, which is slightly below the level of  
5 assessment of 35 percent.

6 It would be my recommendation that if you intend  
7 to revise any valuations that were derived using  
8 unconstitutional methodologies that you also ensure that the  
9 level of assessment for the area be measured through an  
10 additional ratio study so that these properties are at the  
11 same level of assessment as the rest of the county. This will  
12 ensure that the Incline Village properties have the same  
13 relationship to taxable value as all other properties in the  
14 county.

15 I've already mentioned to you about the  
16 performance audit that we've conducted and the methodologies  
17 that the assessor now uses and how there were no exceptions of  
18 particular note in how they performed the sales ratio or how  
19 they performed the approach to value.

20 And just to reiterate, the other assessors do use  
21 market adjustments. They might not be the same variety.

22 And finally, I just wanted to reiterate the  
23 importance of NAC 361.652, which is your regulation that  
24 defined equalization. It says that equalized property  
25 valuation means to ensure that the property in this state is  
CAPITOL REPORTERS (775) 882-5322

1 assessed uniformly in accordance with the methods of appraisal  
2 and at the level of assessment required by law. It's a  
3 two-part requirement. I know you've heard me say this before.  
4 But the methodology and the relationship to taxable value  
5 which in itself consists of fair market value for land and  
6 replacement costing statutory depreciation from improvements  
7 must be uniform among similarly-situated properties. If a  
8 method is not uniform and is struck down, as has happened, the  
9 property still has to reach the parameters outlined in NRS  
10 361.333 to meet the statutory level of assessment.

11 MEMBER JOHNSON: Could you say that one more  
12 time?

13 MS. RUBALD: If a method is not uniform and is  
14 struck down as the Supreme Court struck down methodologies,  
15 those properties still have to reach the parameters that are  
16 outlined in NRS 361.333, which is for land, for instance, has  
17 to be within 32 to 36 percent. The level of assessment has to  
18 be between 32 and 36 percent of the taxable value. And  
19 taxable value for land is defined as fair market value.

20 CHAIRMAN WREN: Questions?

21 MEMBER JOHNSON: I want to explore just a little  
22 bit more if a method is struck down what stands afterwards and  
23 is it where a reappraisal is required because you're using the  
24 method that's been struck down or if in the end the value  
25 still falls within that range the level of assessment required  
CAPITOL REPORTERS (775) 882-5322

1 it can stay in because it meets that second test.

2 MS. RUBALD: Yes, I would agree with that. If a  
3 method is struck down but it's still reaching the proper level  
4 of assessment, you don't need to do anything else. But if  
5 it's not within that level of assessment, then you're going to  
6 have to -- That's why I was talking about what did the 2003-4  
7 ratios say for all of Washoe County. The level assessment for  
8 the sample, the median level was 34.5. So should any  
9 subsection of Washoe County be any less or any more than that?  
10 If they are to a significant statistical degree, then I think  
11 that you would have to correct that.

12 CHAIRMAN WREN: Yes, Dawn.

13 MS. BUONCRISTIANI: Terry, just to clarify the  
14 record, you're saying it would need to be corrected. Is that  
15 for purposes of equalization?

16 MS. RUBALD: Yes. That's because your regulation  
17 and I think the effects of NRS 361.333 indicate equalization  
18 of a similarly-situated properties are treated similarly and  
19 they should all arrive at the statistical level of assessment  
20 and an equal amount.

21 MEMBER JOHNSON: I've got a question there. My  
22 understanding is we're referring to a 2005 ratio study that  
23 found a ratio of 34.4 percent for all of Washoe County. And I  
24 want to understand if it was all of Washoe County, number two,  
25 if any ratio studies were done specifically for Incline  
CAPITOL REPORTERS (775) 882-5322

1 Village/Crystal Bay area.

2 MS. RUBALD: The sample that was taken for that  
3 year was a randomly-selected sample. And it may or may not  
4 have included properties from Incline Village because we try  
5 to -- when we take a random selection of properties, that  
6 means that our staff goes out and performs an appraisal and  
7 compares their appraisal analysis to the assessors to come up  
8 with a ratio. In a sales ratio, I would compare the  
9 assessor's work to the sales of properties in the area.  
10 That's the difference between the department's ratio study and  
11 sales ratio. And that's what I'm recommending at this point.

12 The problem is with land and since land can be --  
13 must be valued at fair market value, it seems to me that a  
14 sales ratio study would be an appropriate method at this point  
15 to ensure equalization.

16 MEMBER JOHNSON: Thank you.

17 MS. RUBALD: And as for a specific analysis, we  
18 did do a specific analysis in 2005. It was a fairly big study  
19 just on Incline Village and the results of that study are also  
20 in your record.

21 CHAIRMAN WREN: Okay. Any other questions for  
22 Terry? Okay. Who wants to go next?

23 MS. FULSTONE: Suellen Fulstone on behalf of  
24 Village League and the residential property taxpayers of  
25 Incline Village and Crystal Bay.

CAPITOL REPORTERS (775) 882-5322

1 I would like to reserve some right to perhaps  
2 rebut what Mr. Creekman may be presenting after he presents  
3 it. He did ask that I go first and I'm happy to accommodate  
4 him.

5 CHAIRMAN WREN: I'll make sure you get that time  
6 if you need it.

7 MS. FULSTONE: Thank you. I want to thank, first  
8 of all, Ms. Rubald for providing the additional materials that  
9 we had indicated in our grievance should be a part of this  
10 record.

11 And then I want to address some of the statements  
12 by Mr. Wilson and some of the -- in his statement as well as  
13 in his response to questions from the board.

14 It's -- What we seem to be doing here is not  
15 equalizing but looking at reassessing Incline Village and  
16 Crystal Bay residential property for the 2002 year.

17 The Supreme Court in its Bakst and Barta  
18 decisions rejected the assessor's at that time request for the  
19 ability to reassess. It determined that the methods used were  
20 unconstitutional. It really is not within this board's  
21 purview to decide now that those methods were constitutional.  
22 The Supreme Court also said that the methods used at Incline  
23 Village and Crystal Bay were unconstitutional in part because  
24 they were not used elsewhere in Washoe County and not used, at  
25 least the record did not indicate any use elsewhere in the  
CAPITOL REPORTERS (775) 882-5322

1 state.

2 Appraisal for purposes of property tax assessment  
3 is not exactly like appraising for purposes of borrowing money  
4 or selling your house or a house by house appraisal. It is a  
5 mass appraisal. The land portion is based on comparable sales  
6 of vacant land.

7 At Incline Village and Crystal Bay in 2002 for  
8 the 2003-4 tax year, the assessor determined that there were  
9 inadequate sales of -- inadequate comparable sales of vacant  
10 land. What he did in developing his methodologies was not to  
11 look at factors and adjust them but to essentially create  
12 comparable sales through the process of time adjustment, tear  
13 downs, views and so on. And then use those created comparable  
14 sales as the basis for the valuation of property.

15 The Supreme Court found this unconstitutional  
16 because it -- because none of that methodology or those  
17 methodologies had been approved by the Tax Commission.

18 In a uniformed system, particularly in a system  
19 that is not based on market value, which is Nevada -- As I was  
20 saying, in a taxable value system, the uniformity of  
21 regulations and uniformity of assessors in following those  
22 regulations is the only basis for assuring constitutional  
23 valuation.

24 And that's, you know, the Supreme Court realized  
25 that and invalidated, determined in its language that  
CAPITOL REPORTERS (775) 882-5322

1 assessments based on those unconstitutional validations are  
2 unconstitutional methodologies were null and void.

3 It doesn't make logical sense to try to compare  
4 what happened in an audit 2012 going back to 2006 in part  
5 apparently or the methods used by the Washoe County assessors  
6 or other assessors in the county to value the land portion of  
7 residential property in the current year because the  
8 regulations have extensively developed as they became  
9 effective I think in 2009. An earlier set of revised  
10 regulations became effective in 2004. But at that time the  
11 Washoe County assessor did not go back and revalue Incline  
12 Village/Crystal Bay in light of those updated regulations.

13 As Mr. Wilson himself acknowledged, under the  
14 current regulations, there is a process for using tear downs  
15 as comparable sales. I won't go in to it in detail. Many of  
16 you are familiar with it. It is a long, drawn-out process of  
17 findings that have to be made before tear downs can be used.  
18 That was not the case in 2003. It was certainly not the way  
19 it was used in 2003. The same thing is true for time  
20 adjustments, to the extent they can be used at all.

21 So really, it doesn't advance the issue before  
22 the board to look at what happens with assessors around the  
23 State of Nevada in 2012. If nothing else, the Supreme Court  
24 and its Bakst and Barta decisions put assessors in the Tax  
25 Commission on notice that there needed to be regulations to  
CAPITOL REPORTERS (775) 882-5322

1 cover these circumstances of a lack of comparable sales and to  
2 assure uniformity.

3 If you look at the audits that were done in the  
4 time frame that we're dealing with here, 2003 to 2006 --  
5 2005-6, they didn't even ask the question about methodologies.  
6 There wasn't did you use tear downs, are you using time  
7 adjustments. So what assessors were using around the state,  
8 there's only the record before the Supreme Court which  
9 established for purposes of our work here that the methods,  
10 the unconstitutional methods used by Washoe County assessor  
11 were not used elsewhere in the state.

12 In looking at the factor -- And as the board  
13 knows, we have settled, we being the Incline Village taxpayer,  
14 residential real property taxpayers, have settled individual  
15 cases for 05-06, 06-07, 07-08 on the basis of resetting the  
16 values at 2002 and applying the factor approved by the  
17 commission.

18 But the factor approved by the commission was  
19 developed by the Washoe County assessor, in the same manner  
20 used the same unconstitutional methodology. So in the context  
21 of those lawsuits, we have certainly challenged the factor.  
22 And, you know, not challenging the factor is only for purposes  
23 of resolving cases.

24 Mr. Wilson did acknowledge that in fact these  
25 unconstitutional methods were used to develop factor for  
CAPITOL REPORTERS (775) 882-5322



1 Incline Village/Crystal Bay for the 2002-2003 tax year. That  
2 was the factor year. In some places at Incline the factor was  
3 50 percent. In other areas 35 percent. That factor -- That  
4 doesn't validate the use of those methodologies in 2003-4.

5 As I think it's pointed out in the Bakst  
6 decision, taxpayers were not aware of what the assessor was  
7 doing in the 2002 year when he established the factor. The  
8 factor is not something that is publically noticed within the  
9 contested hearing that taxpayers would come in to challenge.

10 In any event, the fact that, you know, the 2002  
11 values may also have been unconstitutional just haven't been  
12 determined to be so doesn't change the reality that for  
13 purposes of the board's decision here those values have been  
14 deemed to be constitutional by the Supreme Court and as the  
15 basis -- because they weren't unchallenged and become the  
16 basis for resetting the unconstitutional valuations of  
17 2,000 -- as determined by the courts of 2003-4.

18 Mr. Wilson did point out that there are certain  
19 properties that were actually decreased in land value by the  
20 2003-4 appraisal. It's a little misleading, because as  
21 presented on his charts, those 2003-4 values are to some  
22 extent where they are decreased are values established by the  
23 county board, the County Board of Equalization in the 2003-4  
24 year when there were challenges, certain challenges were  
25 abolished, accepted and properties reduced.

CAPITOL REPORTERS (775) 882-5322

1           So there are, you know, by my count, and it could  
2 be off by one or two, there are about 145 properties on the  
3 2003-4 as provided by the Washoe County assessor where values  
4 go down between 2002-3 and 2003-4 where those are not  
5 decreased by reason of county board decisions. They are --  
6 They're decreased by reason of the fact that the 50 percent  
7 factor applied in 2002 was too large, possibly because the  
8 unconstitutional methods used.

9           Our proposal would be that the board exclude from  
10 any resetting of values to 02-03 any of the values that by  
11 reason of county board decision or otherwise are actually  
12 lower in 2003-4. This is what was done, I believe, for the  
13 2006-7 equalization cases. I think it's fair to the  
14 taxpayers. There's no constitutional harm when taxpayers are  
15 not assessed in excess of the constitutional assessment. When  
16 those values go down rather than up, there's no excess  
17 assessment.

18           Is there a pitcher of water here or something?

19           MS. MOORE: I can get you some.

20           CHAIRMAN WREN: Let's take a short break because  
21 I'd like some water too. So let's take about five minutes.

22                           (Recess was taken)

23           CHAIRMAN WREN: Okay. Giving everybody a chance  
24 to get back to their seats and then we will proceed. Okay.  
25 Whenever you're ready.

          CAPITOL REPORTERS (775) 882-5322

1 MS. FULSTONE: Thank you. Ms. Rubald quoted the  
2 definition of equalization as included in the regulations  
3 adopted by this board I believe in 2010. First of all, those  
4 regulations are not being applied in this proceeding. We're  
5 not following those regulations because they were adopted in  
6 2010. They do not reply retroactively to the 2003 to 2006 tax  
7 years that are addressed here.

8 CHAIRMAN WREN: Can I stop you right there? Do  
9 we have the actual 2002-2003 regs that were in effect for when  
10 we're talking about?

11 MS. RUBALD: For the equalization process?

12 CHAIRMAN WREN: Yeah.

13 MS. RUBALD: The regulation that Ms. Fulstone  
14 refers to as she says was adopted 2010. So for equalization  
15 process there was not a regulation in place.

16 CHAIRMAN WREN: So we had no regulation for the  
17 appraisers at all?

18 MS. RUBALD: For equalization. But there was  
19 certainly a regulation in place for what methodologies that  
20 the assessors could use.

21 CHAIRMAN WREN: Yeah. Can I get that?

22 MS. RUBALD: Yeah. The principal one that I want  
23 to bring to your attention is for R031-03.

24 CHAIRMAN WREN: Hold on. What disk is that on?

25 MS. RUBALD: It's not in your record, but you can  
CAPITOL REPORTERS (775) 882-5322

1 call it up on the legislative website at [www.leg.statenv.us](http://www.leg.statenv.us)  
2 and look in the register. They have the statutes and then  
3 they have the regulations and then they have the browser for  
4 the regulation as it was adopted at the time.

5 CHAIRMAN WREN: Okay. That's fine. I'll have  
6 Dawn, if you'll look that up for me so I don't have to  
7 interrupt you. I'm sorry. Go ahead.

8 MS. FULSTONE: Just to clarify, there were no  
9 equalization regulations until 2010 for the process of  
10 equalization conducted by this board. The only reference to  
11 equalization in the regulations at all had to do with  
12 authorizing the county board to equalize or directing the  
13 county board to equalize on the basis of geographic area.

14 With respect to valuation regulations, the  
15 regulation as existed in 2002-3 is in the record. I can't  
16 point exactly where it is. But it was the regulation that was  
17 considered in the Bakst and Barta cases. It essentially  
18 provided for the valuation of properties primarily by  
19 comparable sales or in the absence of sufficient comparable  
20 sales by processes of allocation, extraction, I think one -- I  
21 think allocation extraction was one category and there was a  
22 third category for cost. But I'm sure Dawn will find it for  
23 you.

24 Whatever the definition of equalization, and  
25 there was none in 2002-3. The Supreme Court in its Barta  
CAPITOL REPORTERS (775) 882-5322

1 decision said, and I'm quoting now, the Barta decision is also  
2 in your record, but it talks specifically about the duties and  
3 obligations of the State Board of Equalization. "Nevada's  
4 constitution guarantees," and I quote, "a uniform and equal  
5 rate of assessment and taxation."

6 "That guarantee of equality should be the board  
7 of equalization predominant concern and that concern is not  
8 satisfied by merely ensuring that a property's taxable value  
9 does not exceed its full cash value.

10 Under Bakst, a valuation developed in violation  
11 of a taxpayer's constitutional right to a uniform and equal  
12 rate of assessment and taxation is an unjust valuation. And  
13 upholding an assessor's unconstitutional methodologies the  
14 state board applies a fundamentally wrong principle." And  
15 that's the end of the quote from the Barta case.

16 But what the Supreme Court has directly told this  
17 board and taxpayers is that you can't fix unconstitutional  
18 valuation by ratio studies. You can't fix unconstitutional  
19 valuation by factoring. You can't fix valuation done pursuant  
20 to unconstitutional methodologies.

21 The assessor has provided this board with a list  
22 for each year in question, three-four, four-five, five-six, of  
23 properties that the assessor himself has identified as  
24 properties that were valued using the methodologies determined  
25 to be unconstitutional by the Supreme Court. Those valuations  
CAPITOL REPORTERS (775) 882-5322

1 are unjust by the language of the Supreme Court. Those  
2 valuations are what this board decided in November, in its  
3 November 5th hearing, that it would reset to their 2002-2003  
4 values and apply the definition of approved factors.

5 Looking at the properties that are  
6 self-identified by the assessor as having valuations for those  
7 three years that are in the language of the Supreme Court null  
8 and void because they are unjust, they are not uniform, they  
9 were created pursuant to unconstitutional methodologies and  
10 fixing those is the proper duty and obligation of this board.

11 As I said at the outset, I do think that it is  
12 appropriate to reset values as previously done by excluding  
13 any values that went down by virtue of county board decision  
14 or otherwise between 2002 and 2003.

15 The harm that is caused by unconstitutional  
16 methodologies and resulting in unconstitutional valuations is  
17 and cannot -- is not and cannot be remedied by this board  
18 taking the speculations from Mr. Wilson or Ms. Rubald as to  
19 what market value would have been or might have been in 2003-4  
20 or going back and doing ratio studies for that period of time.  
21 Nothing takes away from the fact that the assessor used  
22 unconstitutional methodologies to reach these values and that  
23 as a consequence the values are null, void and unjust and  
24 inequitable.

25 Are there any questions?  
CAPITOL REPORTERS (775) 882-5322

1 CHAIRMAN WREN: Quite a few actually. I've  
2 always agreed with you that if something -- if it needs to be  
3 fixed, it needs to be fixed. But would you agree that it  
4 needs to be fixed to values that are germane or values of  
5 2003-2004?

6 MS. FULSTONE: I think -- I think the -- in  
7 keeping with what the Supreme Court has done and what the  
8 other courts have done, the unconstitutional valuations need  
9 to be reset to their 2002-3 values, that that's the fix.  
10 That's the remedy for the wrong committed by the assessor.

11 CHAIRMAN WREN: Okay. So you don't think that  
12 those individuals in Washoe County should have an increase in  
13 value because of the terminology that the assessor used even  
14 though he used market information because it was a reappraisal  
15 year?

16 MS. FULSTONE: I'm sorry. You'll have to ask me  
17 that again. I don't think what?

18 CHAIRMAN WREN: Okay. The value should increase  
19 in '03 and '04 even though that was a reappraisal year and  
20 there is ample market evidence that values had increased  
21 significantly during that period of time?

22 MS. FULSTONE: No, I don't. And partly that's a  
23 matter of policy and partly that's just a matter of  
24 equalization to what this Supreme Court has decided. The  
25 Supreme Court could have said Washoe County, go back and do  
CAPITOL REPORTERS (775) 882-5322

1 these following the regulations. They didn't.

2 When the assessor uses unconstitutional,  
3 unauthorized methodologies to value property, a do-over by the  
4 assessor is not, from a policy standpoint, an appropriate  
5 remedy. What the Supreme Court said is we're not going to  
6 allow a do-over. We're going to take these back to 2002, the  
7 last year that was not challenged by the taxpayers.

8 And that I think in fairness and as a matter of  
9 policy is where all of these values -- Again, as a matter of  
10 fairness and policy that's where all of these values that the  
11 assessor has himself identified as being developed using  
12 unconstitutional methodologies should be reset with the  
13 exception obviously of the ones that go down.

14 CHAIRMAN WREN: So what do you think -- What is  
15 your opinion? If this goes back to 2002-2003 using 1.8  
16 factor, they're going to be excessively below full cash value.  
17 We'll be at the equalization if we do that.

18 MS. FULSTONE: You -- I don't know about you.  
19 The properties at Incline Village will not be out of  
20 equalization if they are returned or reset at 2002-3 values.  
21 They will be an equalization with the properties that have  
22 already been reset to those values by the courts. And that's  
23 the grievance that's before the board and that's the decision  
24 for the board to make.

25 CHAIRMAN WREN: Okay. Other questions? Aileen,  
CAPITOL REPORTERS (775) 882-5322



1 are you out there? Any questions?

2 MEMBER MARTIN: Not yet. Thank you.

3 CHAIRMAN WREN: Okay. Anthony.

4 MEMBER MARNELL: Mr. Chairman, I apologize. I'm  
5 a little confused. I thought we already made this motion and  
6 we're here today to decide -- to look at what Mr. Wilson has  
7 presented. I believe my motion was to roll back to 02-03 with  
8 a 1.08 factor and for Mr. Wilson to go run the list so we  
9 could confirm the numbers. Are we rehearing this again or are  
10 we -- Correct me where I'm wrong.

11 CHAIRMAN WREN: No. I think that you are  
12 correct. But I'm taking as much testimony as possible because  
13 I'm concerned that the numbers -- what we wanted to do when we  
14 saw what we wanted with your motion was to have the assessor  
15 bring it back to us so we can see exactly what the effect is.  
16 And my concern at this point looking at the numbers is that  
17 with the numbers that he's presented it throws it out of  
18 equalization and it's not fair and equitable values for 03-04,  
19 in my opinion.

20 MEMBER MARNELL: Okay. I don't have any  
21 questions. Thank you.

22 MEMBER MESERVY: Mr. Chairman, I have some  
23 questions if that's okay.

24 CHAIRMAN WREN: Yes.

25 MEMBER MESERVY: One is, you know, Ms. Fulstone  
CAPITOL REPORTERS (775) 882-5322

1 is challenging the factoring and it seems like aren't we doing  
2 something with factoring instead of the decision? I'm a  
3 little confused on that. And maybe she can explain why this  
4 is a form of factoring in.

5 MS. FULSTONE: What I have said is that in the  
6 lawsuits we have challenged the -- Incline Village/Crystal Bay  
7 taxpayers have challenged the development and application of  
8 the factor. What I've also said is that in terms of the  
9 settlements that we have reached we have accepted the factor.  
10 And in the discussion we had in November, I believe I  
11 indicated that the acceptance of the factor approved by the  
12 commission was an accommodation we could make.

13 MEMBER MESERVY: Okay. Another one is how do you  
14 know that by using or not using these methodologies will  
15 change or not change the total market value of the properties  
16 in Incline Village or elsewhere in Washoe County or elsewhere  
17 throughout Nevada?

18 MS. FULSTONE: I think the valuation, the  
19 ultimate valuation is a function of the methodologies used.  
20 But more importantly, I think what the Supreme Court has said  
21 and said more than once is that it's the use of the  
22 methodologies that's the issue. It's not the valuation. They  
23 have deemed the use of unconstitutional values to result in an  
24 unjust valuation. They have not said okay, we can -- we'll do  
25 a ratio study and see what these valuations look like in  
CAPITOL REPORTERS (775) 882-5322

1 compared to other valuations. They have said when the  
2 assessor uses unconstitutional methodologies, the resulting  
3 valuations are, you know, without any further study or inquiry  
4 unjust, null and void.

5 MEMBER MESERVY: So I guess you're saying they're  
6 unjust, but if the valuation should be similar with or without  
7 them, I mean, I think that's the question we're asking you is  
8 --

9 CHAIRMAN WREN: Dennis, the court reporter can't  
10 hear you or understand you, so start over.

11 MEMBER MESERVY: You know, if the -- if this  
12 requires that we raise, lower or leave unchanged the taxable  
13 value of the property, I think is what I've been told is part  
14 of what we're trying to resolve and if we're thinking that the  
15 methodologies may or may not change that even though they're  
16 wrong, that to me is a big question I need to understand.  
17 Because I thought total value was pretty important in this  
18 question.

19 I guess I need some more clarification in your  
20 understanding why we need to consider that fully there.

21 MS. FULSTONE: Let me try to address that. A  
22 valuation reached with use of constitutional methodologies is  
23 not just unjust but it is null and void based on the decision  
24 of the Supreme Court. What we are looking at here and what  
25 was the focus of the decision at the November hearing was  
CAPITOL REPORTERS (775) 882-5322

1 identifying all of those valuations at Incline Village and  
2 Crystal Bay that were developed for the years 03-04, 04-05,  
3 and 05-06 using the unconstitutional methodologies. Because  
4 all of those valuations are not just unjust but they're  
5 inequitable, they're out of equalization, they're null,  
6 they're void.

7 Again, in Bakst what the Court said was it's the  
8 guarantee of equality that should be the Board of  
9 Equalization's predominant concern. And that concern is not  
10 satisfied just by looking at value but also by looking at the  
11 taxpayer -- the methodologies. The taxpayer has a  
12 constitutional right to a uniform and equal rate of  
13 assessment, which by virtue of -- which according to the court  
14 means the taxpayer has a right to a valuation determined using  
15 constitutional methodologies. And having failed that for the  
16 properties that the assessor has identified, those values all  
17 should be reset to 2002-3 in keeping with the Supreme Court  
18 decision, which is the law.

19 MEMBER MESERVY: I have a concern there and I  
20 guess I need to ask legal counsel or our chairman, somebody to  
21 tell me as this board I thought our jurisdiction was on value.  
22 And if we're not worried about value here, what are we  
23 supposed to be worrying about? I'm a little concerned. I'm  
24 not understanding where we have any jurisdiction if it's  
25 anything but value. First, we know it's unconstitutional  
CAPITOL REPORTERS (775) 882-5322

1 methodologies and when it comes right down to it aren't we  
2 supposed to be coming up with whether this is equalized or not  
3 equalized under valuation issues? When we ignore value, I'm  
4 getting concerned here.

5 CHAIRMAN WREN: Dawn.

6 MS. BUONCRISTIANI: I think you might have to  
7 listen to the arguments of both parties. What your regulation  
8 says is equalization as to methods and to values. And I can  
9 get that out and read it for you again. The board at this  
10 point in time hasn't determined whether they're going to  
11 follow that as a guideline because it wasn't in effect during  
12 the tax years at issue. And so would you like me to read that  
13 regulation again?

14 MEMBER MESERVY: Absolutely. Absolutely.

15 MS. BUONCRISTIANI: It is found at NAC 361.652,  
16 equalized property valuations. This is the definition.  
17 Equalized property valuations means to ensure that the  
18 property in this state is assessed uniformly in accordance  
19 with the methods of appraisal and at the level of assessment  
20 required by law.

21 MEMBER MESERVY: You read it so quick. Did we  
22 use the word "value" in there?

23 MS. BUONCRISTIANI: It says means to ensure that  
24 property in this state is assessed uniformly in accordance  
25 with the methods of appraisal and at the level of assessment  
CAPITOL REPORTERS (775) 882-5322

1 required by law.

2 MEMBER MESERVY: Because I didn't hear the word  
3 "values," but I guess --

4 MS. BUONCRISTIANI: The level of assessment would  
5 result in value. And Ms. Rubald can explain, possibly explain  
6 that to you.

7 MEMBER MESERVY: That might be helpful.

8 MS. RUBALD: Mr. Chairman, Mr. Meservy, Terry  
9 Rubald for the record. The level of assessment required by  
10 statute is 35 percent of taxable value. And then we have to  
11 refer to NRS 361.227 to find out what taxable value means.  
12 And for land, taxable value means fair market value. With the  
13 exception of highest and best use, we have to look at actual  
14 use rather than highest and best use. And for the  
15 improvements, we have to look to replacement costs less  
16 depreciation.

17 MEMBER MESERVY: Thank you very much.

18 CHAIRMAN WREN: Okay. Ben.

19 MEMBER JOHNSON: First question, Dawn, is NAC  
20 361.652, it's my understanding was adopted subsequent to the  
21 tax years at stake here. I'm curious what governs our  
22 decision making here. Is it the regulation just quoted or is  
23 there something that we should be considering?

24 MS. BUONCRISTIANI: In terms of -- You have it  
25 correct. In terms of -- This regulation was adopted  
CAPITOL REPORTERS (775) 882-5322

1 subsequent to these cases. And so your -- the writ says that  
2 you must equalize. And perhaps if I reread that it would help  
3 you as to give you some direction as to where you are right  
4 now. The board is going to -- it's going to be up to the  
5 board to interpret what that means. Because there was no  
6 regulation at the time.

7 MEMBER JOHNSON: Okay. How is -- So --

8 MS. BUONCRISTIANI: I'll pull the writ up.

9 MEMBER JOHNSON: Okay. I'm just curious if  
10 equalization was just undefined at that point.

11 MS. BUONCRISTIANI: Equalization in terms -- at  
12 that particular point in time what the board did, this won't  
13 come any closer, I'm wondering -- At that particular time way  
14 back in 2003 what the state board -- the defined use or the  
15 defined actions and the valuing responsibilities and authority  
16 established in the regulations and in the statutes dealt with  
17 contested cases. So the state board heard contested cases and  
18 made decisions as to value. And when a property was -- other  
19 properties were similarly situated, for example, the one I  
20 think of most routinely is one where there was traffic  
21 impacting one property and the taxpayer came before the state  
22 board. The state board assessed that property and said but  
23 look at all of these other houses right down next to it to be  
24 in either direction. They are impacted by the same, the same  
25 settlement. And so they would equalize all of those  
CAPITOL REPORTERS (775) 882-5322

1 properties and treat them all the same and reduce them because  
2 of that same negative influence.

3 And that was the extent of how the state board  
4 equalized until the Bakst and Barta cases when they were  
5 directed to equalize in other ways and that they had to look  
6 at the methods that were used.

7 And then the department developed regulations at  
8 the direction of the state board and the state board adopted  
9 these regulations just a couple of years ago in regard to  
10 equalization. And that's when you -- this equalization  
11 definition was adopted.

12 MS. RUBALD: Mr. Chairman, may I supplement that?

13 CHAIRMAN WREN: Yes.

14 MS. RUBALD: I think it's important to note that  
15 NRS 361.333, which is styled, I believe, as equalization among  
16 jurisdictions, has been in existence for -- as it's styled  
17 equalization assessment among the several counties. That  
18 statute has been in existence for quite a long time, since at  
19 least 1967. And that did provide a process for equalization  
20 as I described whereby the tax commission had the authority to  
21 either request reappraisal or to apply factor to ensure that  
22 the level of assessment was at an equal rate.

23 Mr. Meservy.

24 MEMBER MESERVY: Has this board always been  
25 called the Board of Equalization, State Board of Equalization?  
CAPITOL REPORTERS (775) 882-5322



1 MS. BUONCRISTIANI: I can answer that. This  
2 board has been called the Board of Equalization. However,  
3 this board has not always been an independent board. And  
4 in -- if you want the exact date I can look it --

5 MEMBER MESERVY: I mean, was it prior to this  
6 period in question that it became independent?

7 MS. BUONCRISTIANI: I'm not sure I understand  
8 that second question.

9 MEMBER MESERVY: You said it hasn't always been  
10 an independent board and you --

11 MS. BUONCRISTIANI: The Tax Commission was also  
12 the Board of Equalization from the early years on. And then  
13 some time during the 20th century the state board became  
14 independent of the Tax Commission. I had my --

15 MEMBER MESERVY: So it's been well before 2002?

16 MS. BUONCRISTIANI: That the Tax Commission and  
17 the state board became separate bodies, yes.

18 MEMBER MESERVY: Okay. Thank you.

19 MEMBER JOHNSON: I have a question for you,  
20 Ms. Fulstone. And that is any part of what you're alleging do  
21 you include taxable value exceeding market value?

22 MS. FULSTONE: I don't -- I don't think taxable  
23 value exceeding market value is raised as an issue in any of  
24 the proceedings with which I am familiar. But I'm not clear  
25 how, Member Johnson, you think that it might apply here.

CAPITOL REPORTERS (775) 882-5322

1           MEMBER JOHNSON: I just wanted to narrow down the  
2 issues that were before us and make sure there wasn't any  
3 evidence to support taxable value being an excessive market  
4 and what you just said because there was no evidence and that  
5 wasn't something that was considered.

6           MS. FULSTONE: No. Again, I think the issue is  
7 the use of unconstitutional methodologies and the courts  
8 having deemed the resultant value to be null and void. I  
9 don't think the Court went back and said -- and measured  
10 against any particular valuation number. Again, it is a  
11 function of methodology that the valuations are  
12 unconstitutional.

13           MEMBER JOHNSON: Thank you.

14           CHAIRMAN WREN: Okay. Any other questions for  
15 Ms. Fulstone?

16           Okay. Mr. Creekman.

17           MS. FULSTONE: If I can address Mr. Meservy's  
18 question in a little bit more detail, because I think in  
19 looking at him I think he's not yet persuaded.

20           In the 2006-7 when the county board equalized to  
21 02-03 values and that decision was subsequently affirmed by  
22 this board, that was on a basis of geographic equalization for  
23 Incline Village and Crystal Bay. That decision is now final.  
24 And it is that decision that is the model, I think, for what  
25 this board needs to look at and should do, whether it looks at  
CAPITOL REPORTERS (775) 882-5322

1 geography or the use of unconstitutional methodologies. The  
2 baseline is 02-03. I mean for 05-06, for instance, and I'm  
3 not sure this is reflected in Mr. Wilson's list, I think it's  
4 close to a thousand taxpayers have already been rolled back to  
5 02-03 and factored forward by the .08 and paid refunds on that  
6 basis.

7 So to the extent you're equalizing to what has  
8 been done and what the Supreme Court has said must be done at  
9 Incline Village and Crystal Bay, it is to go back to 02-03 as  
10 this board has decided in November and then apply the factor  
11 as approved by the commission.

12 CHAIRMAN WREN: Okay. Thank you.

13 Mr. Creekman.

14 MR. CREEKMAN: Thank you, Mr. Chair and members  
15 of the State Board of Equalization. For the record my name is  
16 David Creekman, C-r-e-e-k-m-a-n, on behalf of the Washoe  
17 County parties. I don't need to -- I think that the assessor  
18 did an outstanding job, so I'm speaking primarily on behalf of  
19 the Washoe County board of county commissioners and the Washoe  
20 County treasurer today.

21 What the state board has accomplished thus far in  
22 my estimation is not statewide equalization. I'm concerned  
23 that in this statewide proceeding there has been no analysis  
24 of valuation methods used elsewhere within the State of  
25 Nevada. The focus has been entirely on Washoe County. Member  
CAPITOL REPORTERS (775) 882-5322

1 Johnson came very close and was circling around that issue  
2 with his questions to the county assessor.

3 In the Bakst case, the Supreme Court case that  
4 initiated all of this, the Court reviewed four methodologies.  
5 There was no focus on any other methodology because they  
6 weren't at issue in that case. This board has no way of  
7 knowing without examining all of Nevada's county assessors the  
8 validity of the methodologies used elsewhere within the State  
9 of Nevada.

10 I do agree with Ms. Rubald and her definition of  
11 equalizing property values. And I wanted to point out to  
12 Member Meservy that the word "value" is what is being defined  
13 in the regulation read to the board and to this proceeding  
14 today by both Ms. Rubald and by the deputy attorney general.  
15 The regulation itself defines the phrase "equalized property  
16 values." And I suspect that's why the regulation does not  
17 contain the word "value" itself, not wanting to confuse the  
18 definition with the phrase that's being defined by the  
19 regulation.

20 Ms. Fulstone objects to the use of the  
21 regulation, the definition of the regulation, the two-prong  
22 definition of the regulation in this proceeding. I object to  
23 Ms. Fulstone's objection because what it is the regulation is  
24 defining is this board's statutory duty to equalize property  
25 valuations in the State of Nevada, a statutory obligation that  
CAPITOL REPORTERS (775) 882-5322

1 hasn't been modified in decades by the legislature, which in  
2 turn defines or gives meaning to the constitution's guarantee  
3 of a uniform and equal rate of assessment and taxation to  
4 Nevada's taxpayers. Again, that provision has been in effect  
5 since it was first inserted in to the constitution.

6 I find it incomprehensible to -- I have no  
7 ability to understand the arguments that the definition of  
8 equalization changes or varies over the years, particularly a  
9 relatively short time period that we're talking about here,  
10 between the year 2002 and the date that the regulations were  
11 adopted.

12 So in regard to the definition of equalizing  
13 property value, the two-prong definition to ensure property is  
14 assessed uniformly with methods of appraisal and at the level  
15 of assessment required by law, I would concur with  
16 Ms. Rubald's analysis that at a minimum before the state board  
17 takes any final action it needs to conduct a ratio study to  
18 ascertain whether the new values fall within the allowable  
19 range both within Washoe County and as compared to the  
20 remainder of the State of Nevada, lending further support to  
21 my belief that the new regulation or the new regulations  
22 definition applies today, to today's proceeding is the fact of  
23 the public notice given of today's proceeding, which clearly  
24 states that the board is operating for the purpose of  
25 equalization pursuant to NAC 361.650 through NAC 361.667.  
CAPITOL REPORTERS (775) 882-5322

1           You have obligated yourselves in the public  
2 notice of today's proceeding to apply those regulations. When  
3 those regulations are applied, not only does the two-prong  
4 definition of equalized property values apply, but the board  
5 today is faced with four alternatives that from -- amongst  
6 which it can choose. It can do nothing. It can refer this  
7 matter to the Tax Commission. It can order a reappraisal. Or  
8 it can adjust values up or down, but only can do so based on  
9 an effective ratio study if the board orders. So those seem  
10 to be your options today. I'll be happy to take any questions  
11 if you've got any. Otherwise, that's it for Washoe County's  
12 position.

13           CHAIRMAN WREN: Okay. Thank you very much.  
14 Questions of Mr. Creekman?

15           MEMBER MESERVY: Don't you think that if we chose  
16 to leave it unchanged that that's making a decision?

17           MR. CREEKMAN: Yes, I do. And that is one of  
18 your options under the regulations. The first option is to do  
19 nothing.

20           MEMBER MESERVY: Yeah. Basically doing something  
21 like leaving it unchanged isn't just doing nothing. That's my  
22 interpretation.

23           MR. CREEKMAN: I would agree.

24           CHAIRMAN WREN: Okay. Thank you very much.

25           MR. CREEKMAN: Thank you.  
            CAPITOL REPORTERS (775) 882-5322

1                   CHAIRMAN WREN: Ms. Fulstone.

2                   MS. FULSTONE: Thank you, Mr. Chairman. This is  
3 I think the third hearing in this matter and to this hearing  
4 there's been no -- until this hearing there's been no  
5 application of the 2010 equalization regulations, which  
6 establish a much different process. The writ of mandamus does  
7 not direct the board to apply those regulations in part  
8 because those regulations, one, don't even provide for  
9 taxpayers to be parties. And two, you know, those regulations  
10 have never been found to be constitutional by the Supreme  
11 Court. The definition of equalization and how you equalize  
12 for purposes of this proceeding is in the Supreme Court  
13 decisions.

14                   I would point out, however, if you want to look  
15 at NAC 361.652, which is the definition that we've been  
16 talking about, what it says is that equalized property  
17 valuation defined means to ensure that the property in this  
18 state is assessed uniformly and in accordance with the methods  
19 of appraisal, and we have established that it is not, and at  
20 the level of assessment required by law.

21                   Level of assessment is not a reference to  
22 valuation. The level of assessment required by law is the  
23 assessment percentage, which is the 35 percent. The level of  
24 assessment is not going to validate unconstitutional  
25 methodologies.

                  CAPITOL REPORTERS (775) 882-5322

1           Again, based on the Supreme Court decisions, you  
2 cannot validate those methodologies with ratio studies. You  
3 cannot validate them with reappraisals. You cannot validate  
4 them with assessment levels. The only way to remedy  
5 unconstitutional methodologies and the valuations that they  
6 produce is to set aside those valuations and return to the --  
7 and return to the previously last unchallenged value.

8           Mr. Creekman suggested this board is required to  
9 look at the methodologies used by assessors elsewhere in  
10 Nevada for those years in question. That simply is not the  
11 case. This board is required to determine the grievance  
12 brought by Incline Village/Crystal Bay taxpayers. Whatever  
13 else we know, we know by virtue of the report made by the  
14 assessor today that the properties he has identified were  
15 valued using unconstitutional methodologies. There is no  
16 reason to go looking to other counties. That's all I have,  
17 unless there are other questions.

18           CHAIRMAN WREN: Questions? Okay. Anybody else  
19 want to say anything? Mr. Wilson, anything else? Terry.

20           MS. RUBALD: Thank you, Mr. Chairman. I guess I  
21 just need to point out that you can't isolate NAC 361.652 from  
22 all the other definitions and the regulations that you have  
23 about equalization. For instance, NAC 361.654, which defines  
24 the ratio study, means an evaluation of the quality and level  
25 of assessment of a class or group. So it isn't just 35  
CAPITOL REPORTERS (775) 882-5322



1 percent, just a mathematical thing. We're looking for the  
2 quality and uniformity of assessment through statistical  
3 analysis.

4 CHAIRMAN WREN: Okay.

5 MS. FULSTONE: Mr. Chairman, if I might respond  
6 briefly. As indicated in the brief that, rebuttal brief that  
7 I had filed with this board, the ratio studies, the  
8 statistical ratio studies that were done at the -- for the  
9 years 03-04 through 05-06 do not address equalization at  
10 Incline Village, as Ms. Rubald herself admitted earlier. To  
11 the extent that the 05-06 ratio studies even address Washoe  
12 County, it's not clear that there is a single Incline Village  
13 parcel included in it.

14 Whatever improvements may have been made in the  
15 ratio studies over the years, the ratio studies for the years  
16 in question certainly offer no validation for the  
17 unconstitutional methodologies.

18 Again, you simply can't fix -- you're not looking  
19 at value. The Supreme Court has said when the assessor  
20 uses -- And this, again, is from the Barta decision, when the  
21 assessor uses unconstitutional methods to determine taxable  
22 values, it doesn't matter whether the taxable value exceeds  
23 the full cash value or not. It says by failing to recognize  
24 that a taxable value may be unjust and inequitable despite  
25 being less than the full cash value of the property, the state  
CAPITOL REPORTERS (775) 882-5322

1 board erred. The state board followed the wrong principle.  
2 And that's why the district court set that aside and the  
3 Supreme Court affirmed the district court. Thank you.

4 MS. RUBALD: Mr. Chairman, I'm sorry to prolong  
5 the agony here. I'll just make one more short comment.  
6 The -- If the removal of the unconstitutional methodologies  
7 results in a value so low or so high, then I think it's part  
8 of the equalization process to remove those unjust valuations.

9 And I also did want to point out one more thing  
10 that for your consideration, and perhaps the attorney general  
11 is going to mention to you as well that these regulations that  
12 the LCB File RO31-03 was adopted August 4th 2004 and all of  
13 those unconstitutional methodologies are now provided for when  
14 they were adopted in 2004. So I do wonder whether the 05-06  
15 years even subject to this because those regulations were in  
16 place.

17 MS. FULSTONE: Mr. Chairman, I apologize for  
18 prolonging the agony here as well. But what Ms. Rubald has  
19 said is it is likely to mislead the board if I don't correct  
20 it.

21 This issue of the 2004 regulation was directly  
22 addressed in the Barta case. And because the 2003-4 appraisal  
23 was the base year for both 04-05 and 05-06, what the Court  
24 said was it doesn't matter that the regulations have changed.  
25 These earlier and this appraisal was done in 03-04 before the  
CAPITOL REPORTERS (775) 882-5322

1 regulations were changed. So the appraisal done by the Washoe  
2 County assessor for 03-04 is unconstitutional for 04-05 and  
3 05-06 as well, per the decisions of the Supreme Court.

4 CHAIRMAN WREN: Okay. Anything else before I  
5 close the hearing? Because once I close the hearing, I'm not  
6 going to accept anymore testimony today. Okay. So the  
7 hearing is closed.

8 Anthony, I want to go back to you. It was your  
9 motion that got us here. But I told you my concern and I'm  
10 going to reiterate it for everybody though is that, you know,  
11 I agree that with all the testimony and all the things we've  
12 heard through all of these years now that given all the  
13 arguments that perhaps we need to start with the basis of  
14 2002-2003 and then move the values forward.

15 With the information the assessor brought us, I  
16 don't think that they're representative of what the full cash  
17 value should be on those and I'm not sure with the testimony  
18 that I've heard that you use a percentage or you can do a  
19 ratio study or there's any way to go back this many years and  
20 be equitable to everybody, including the people, the property  
21 owners on his list.

22 However, one of the things that we've heard time  
23 after time after time after time is that there really has  
24 never been any argument that these weren't, values did not  
25 exceed full cash value.

CAPITOL REPORTERS (775) 882-5322

1                   And as the appraiser, and there may be another  
2 appraiser on this -- As an appraiser, I keep going back to  
3 that thought that if they weren't, if they didn't exceed full  
4 cash value and if we were doing this back in 2004 and five  
5 instead of 2012-2013, we probably would have done a couple  
6 different things. We would have said, listen, you used  
7 methods or used techniques that weren't codified, redo them  
8 and tell us what the value would be. And I've asked that  
9 question of the assessor several times now and what the answer  
10 has always been is that the values probably would be similar  
11 or the same as what you put on the values to start off with,  
12 which are the best I can tell what they would have been given  
13 similarly-situated properties.

14                   So those are my thoughts, Anthony, and I'll let  
15 you go from there and then I'll give everybody else a chance.

16                   MEMBER MARNELL: Okay. Mr. Chairman, I will try  
17 to be as clear as possible with what I've heard today and my  
18 opinion. First of all, with all due respect to all of my  
19 fellow board members, I think that this issue is so  
20 complicated and so deep, it sounds to me like regardless of  
21 what we do this is going to go to a higher place to be  
22 decided. And I think that the Washoe County's paper is a  
23 clear position of that. And we already know where  
24 Ms. Fulstone sits because she's already in the court.

25                   So in saying that though, I still feel obligated  
CAPITOL REPORTERS (775) 882-5322

1 to do the best I can with my fiduciary duty as a member. And  
2 so, therefore, I will give you my following comments based on  
3 the testimony.

4 At this point in time, based on what I've heard  
5 today, I don't see any reason to change the motion that I made  
6 back in November and I will tell you why. It is clear to me  
7 that unconstitutional methods were used for the years in  
8 discussion. It is also clear we had discussion about what I  
9 see is the other alternative, which is to go back and  
10 reappraise in those particular three tax years without using  
11 the unconstitutional methods.

12 But in saying that, it's also clear to me that  
13 the Supreme Court has already said, no, you can't do that. So  
14 that takes that option off the table. I believe, as  
15 Ms. Fulstone said, "no do-overs."

16 So that was the option if we recall from the  
17 record in November that I had originally thought about going  
18 down is let's go back and do it right and remove the  
19 unconstitutional methods. But it's clear to me that if the  
20 Supreme Court wanted that done, they probably would have done  
21 that, and they did not, and probably for legal reasons that  
22 are far beyond my capacity.

23 So again, staying on the road of the Supreme  
24 Court -- Hold on one second here. So for whatever legal  
25 reasons in tying that up and looking at my notes, they went  
CAPITOL REPORTERS (775) 882-5322

1 back to the last year that they felt was constitutional and  
2 hence the discussion that we're having here today. I also --

3 If I understand all of the Supreme Court  
4 decisions right, I do not see this making the rest of Washoe  
5 County or the entire state out of equalization. And the big  
6 reason for that is, one, there is no evidence provided in any  
7 of these court cases or any cases before us or any cases on  
8 appeal that other parts of the state were using  
9 unconstitutional methods. So therefore, the way I look at it  
10 right now is that we're not dealing with full cash value and  
11 all of the other things. We're dealing with, again,  
12 unconstitutional methods.

13 And then in the brief provided by the county by  
14 Mr. Creekman talks about in our September hearing that we  
15 heard other grievances. And that's exactly what they were.  
16 They were grievances that were investigated and still are  
17 being investigated. And I believe Terry is still going to be  
18 doing work on the other people that testified before us. But  
19 there is no convicting evidence of any unconstitutional method  
20 or anything illegal in the September testimony of 2012 that we  
21 took.

22 So to say that we did not take action there, I do  
23 not agree with. We heard evidence or we heard people's  
24 testimony where they felt there may be some things that are  
25 unjust and some of those things are still being investigated.  
CAPITOL REPORTERS (775) 882-5322

1 And if we find that, I guess it would be fair to say we would  
2 take the appropriate action at the time when we had that  
3 concluded. But right now that's not concluded and/or it was  
4 found to be not accurate.

5 So the Washoe County, Incline Village/Crystal Bay  
6 specific issue is the one that is before us, it has an  
7 enormous case file as it sits right in front of your desk  
8 today and it has an enormous record all the way up to the  
9 highest court in the State of Nevada. And that's the issue  
10 that has come back before us as well as investigating the  
11 others. But the others don't have any conclusive evidence.

12 So I sit today in the same spot I sat in  
13 September and the spot that I made the motion in November that  
14 while this is -- this is not a financially fun issue to deal  
15 with and it's on a massive scale, the facts I think are  
16 clearly laid out from the perspective of what the Supreme  
17 Court did. And I put in my notes whether we agree with it or  
18 not. And I know that there are many board members that do not  
19 agree with the decision that the Supreme Court made. I in  
20 part can be, because I'm not an educated appraiser like  
21 yourself, I kind of sit on the fence about what they did and  
22 the approach that they took. But irregardless, that's what  
23 they did.

24 And so in following the path and following what  
25 they said, that was why I made the motion that I made in  
CAPITOL REPORTERS (775) 882-5322

1 moving forward. And I don't hear anything today that gets me  
2 to want to change my mind. And again, I understand that we're  
3 talking about a combination, an aggregate of about a billion  
4 and a half dollars worth of assessed property value over a  
5 three-year period and I understand the scale of the decision  
6 is large.

7 So that doesn't lead me to want to be able to  
8 just go "I'd rather take no action because I don't want to  
9 wear this one on my shoulders." I don't have a problem  
10 sticking with my motion based on the evidence provided and I  
11 have no doubt that -- Or I shouldn't say I have no doubt. If  
12 it's not appealed then I'm going to sleep at night thinking I  
13 made the right decision. If it is appealed -- If it is  
14 appealed, which it sounds like it will be, then so be it. Let  
15 it be decided by a higher court. But that's my eight minute  
16 or less conclusion based on everything I've heard since we've  
17 been on this board in March of '09 together.

18 CHAIRMAN WREN: Okay. Thank you.  
19 Dennis.

20 MEMBER MARNELL: Or sorry. Ten.

21 CHAIRMAN WREN: I wasn't going to correct you.  
22 That's okay.

23 MEMBER MESERVY: After what I've heard and -- Is  
24 it okay to talk?

25 CHAIRMAN WREN: Yes.  
CAPITOL REPORTERS (775) 882-5322



1           MEMBER MESERVY: Okay. After I've heard what  
2 I've heard today and what I've seen of the -- it doesn't make  
3 sense it would be -- it seems like in that era the prices were  
4 going up. And I think I did the wrong thing by seconding this  
5 motion last round. And I personally think we should make it  
6 an accident to leave unchanged the values.

7           Personally I do not believe that we've addressed  
8 fully whether if their values would have changed or not. And  
9 I guess if we're here to not worry about the total taxable  
10 values or the value then maybe what we're doing is some sort  
11 of a punitive measure against -- or a factor that was made  
12 against these people to give them back some regs. But I don't  
13 think that's my jurisdiction as a board member to go that  
14 direction. But that's what I'm thinking that it seems to be  
15 heading if we're looking at just because of the factoring  
16 issue. I'm having a hard time seeing why we want to go  
17 otherwise. And I was hesitant last round, as you can read the  
18 minutes. But I think I'm even more hesitant this round to  
19 support where we go. That's my comments. I'm sure  
20 Mr. Marnell might have more he wants to say on that.

21           MEMBER MARNELL: I just have one piece of  
22 feedback for Dennis. I don't disagree. I completely concur  
23 that the taxable value, "value", is kind of what we've done  
24 for four years. And that was why in November my original  
25 inclination was to try to do what I thought was the right  
CAPITOL REPORTERS (775) 882-5322

1 thing and to have it be reappraised, remove the  
2 unconstitutional methods and go reappraise it for all three  
3 years. That to me feels like the absolute right thing to do.  
4 So we would hit the number spot on the money and we would know  
5 and forget all of the studies and all of the other stuff, just  
6 go redo it.

7 But the Supreme Court has already said you can't  
8 do that. And so that's the piece to me that says, well, then  
9 what is the only other alternative. Because that would be the  
10 route, even to this day I think should be the appropriate  
11 route to know exactly what it is and that way it's just fair  
12 across the board and we would have very accurate data. But  
13 they would not let them do that the last time. That's the  
14 only reason, Dennis, that I've gone this direction.

15 MEMBER MESERVY: And I agree with what he's  
16 saying other than I think under my opinion that I don't see a  
17 need to change the values. And that's probably just my gut  
18 response. It's an opinion. But that's really -- I would have  
19 loved to have seen that too. But I agree, based on the  
20 results and based on the testimony, I think we both agree we  
21 could have got a better approach, but he comes out different  
22 than me. I personally -- My thoughts are we should leave  
23 unchanged the taxable value.

24 CHAIRMAN WREN: Dennis, I agree with Anthony.  
25 I've told you my concerns. But as I said in my comments, I'm  
CAPITOL REPORTERS (775) 882-5322

1 not sure we can get it right. In other cases and other  
2 hearings, you know, we've split the baby and come up with a  
3 number that we like and it worked. But in this case, this  
4 thing keeps going back and forth and has got a life of its  
5 own. Regardless of what we do, it's going to end up in the  
6 court system, I'm pretty sure. I'm like Anthony. I don't  
7 care one way or the other. My thought process in September  
8 and November both that it's time that we made a decision and  
9 let it get down the road. And the only decision that has gone  
10 to the court system is to do exactly what Anthony's motion was  
11 and roll back. And if the court system disagrees with that,  
12 then maybe they can come up with that magical answer that we  
13 don't have.

14 So even though I disagree with it, I'm taking --  
15 I'm trying not to consider what the impact is, what the number  
16 of impact is because the Court system keeps saying that it  
17 doesn't matter. So that's just for thought.

18 MEMBER MESERVY: My other thought with that is I  
19 think we're opening ourselves up to a ton of other lawsuits  
20 for anyone to say that we're equalizing by doing this. But  
21 you know, this to me I think it's going to go beyond because  
22 we haven't done the research. So obviously we've got the  
23 opportunity because the courts have given it to us. But I  
24 personally think that it's not going to go the right direction  
25 because I don't think that we can say yay or nay that we've  
CAPITOL REPORTERS (775) 882-5322

1 equalized properly. And I thought that's what were most in  
2 the commission for. I feel more comfortable that we are in an  
3 equalized position. But just based on testimony and based on  
4 what Ms. Fulstone was talking about and based on value, and  
5 again, value seems to not be an issue on one side of the  
6 table.

7 MEMBER MARTIN: Mr. Chairman, I have one other  
8 comment and then I'm done. And I agree with a lot of what  
9 Dennis is saying. In the alternative of once the Supreme  
10 Court said you can't do over it leaves you with really a  
11 couple of options, right. You can stay the same or you can go  
12 towards the motion that I have looked at.

13 And the only reason that I was not supporting to  
14 stay the same is because I think it's clear and factual that  
15 we have unconstitutional methods that were used in the Crystal  
16 Bay and Incline Village. Those are facts. They've been  
17 decided, whether we like them or not. And I believe it's our  
18 obligation to deal with that in those particular tax years  
19 that we're discussing.

20 And the only other thing is I'm not really -- I  
21 don't share the same concern that this will open up the door  
22 for unconstitutional methods for these years because any other  
23 party that would come forward has not followed its  
24 administrative remedy and process for this as these people  
25 did. And if that was the case in the Supreme Court case, and  
CAPITOL REPORTERS (775) 882-5322

1 maybe I don't understand this, but they would have made that  
2 decision for the entire state. They would have made it for  
3 all of Washoe County. They didn't. They were very specific  
4 about the people that were before them, the research and the  
5 evidence that was provided and they made this decision for  
6 that particular group who they think are unconstitutional.

7 We still have zero evidence anywhere else in the  
8 state that any unconstitutional methods have ever been used,  
9 the way I understand it. And I believe that was also the  
10 testimony that was given again today.

11 Again, why all of that -- those thoughts of  
12 thinking what you're saying, Dennis, going, you know, is there  
13 another alternative, is there another alternative. Each one  
14 of them seems as if the door has been closed by the Supreme  
15 Court, that they have said this is the track that we're going  
16 down. If it's unconstitutional, you have to go back to the  
17 last time. You can't leave it the same. You can't reappraise  
18 it. You've got to stay on that path. And so that was  
19 basically the motion of staying down the path, unless I  
20 completely misunderstood.

21 MEMBER MESERVY: No. I misspoke then because I  
22 didn't mean that there would be unconstitutional  
23 methodologies. I'm talking about equalization of valuation.  
24 That's what the lawsuits and where all the changes will be is  
25 because right now we've never ever really pushed to the issue  
CAPITOL REPORTERS (775) 882-5322

1 that those, even though there's totally fallacious  
2 methodologies at the time and they weren't allowed, they don't  
3 have the issue that, oh, that would have changed the total tax  
4 market value of this property. And because of that, that's  
5 really my thought process. It isn't about oh, they were wrong  
6 methodologies elsewhere. It's about equalization of the  
7 valuations that I am thinking is minor and a real issue. Even  
8 what we're doing is we're changing taxable value. We're not  
9 giving some recommendation because we did that methodology.  
10 We're changing the valuations. And because of that we're  
11 actually restating that and now we got to say well, why didn't  
12 we see how that really is in relation to the rest of it. And  
13 that's where all of these ratio studies and all of that should  
14 be in there.

15 And so I still don't feel good. And I've  
16 misspoke if I meant that it's because of methodologies. It's  
17 because of equalization values.

18 MEMBER MARNELL: And I don't disagree with you.  
19 And this is all I have to say, Tony, is that the Supreme Court  
20 one, that's not us. They made decisions to roll back the  
21 constitutional years, overriding all the equalization concerns  
22 that they could or should have had for the entire state when  
23 they made that decision. They basically said that  
24 unconstitutional methods trump everything because they did the  
25 same thing that my motion was made on. They overrode all of  
CAPITOL REPORTERS (775) 882-5322

1 that concern, value, equalization, the entire state, even  
2 within the same darn county. It just doesn't matter.  
3 Unconstitutional methods go back to the last constitutional  
4 method.

5 So they're the ones that have already set the  
6 precedent. The Supreme Court has set the precedent that the  
7 value and taxable value and exceeding full cash value doesn't  
8 matter when it's unconstitutional. That's their decision.  
9 Because I don't disagree with you at all. It's the same. A  
10 billion and a half dollar reduction is a lot of money ten  
11 years after the fact. But they made that call. So we're not  
12 deviating from the call that they made at all.

13 MEMBER MESERVY: We actually gave, they gave the  
14 call but they also gave us the call to raise, lower or leave  
15 unchanged and so that's our call. And I don't think the way  
16 that we've done it is going to do that. But anyhow, that's  
17 fine. We all have our opinions on the board and I appreciate  
18 you have some great ideas.

19 MEMBER MARNELL: You too. Tony, we're done so  
20 we're going to go to Starbucks. We'll see you.

21 CHAIRMAN WREN: Not yet. Just hang right there.  
22 Aileen, comments.

23 MEMBER MARTIN: No comments, Mr. Chairman. Thank  
24 you.

25 CHAIRMAN WREN: Thank you, Aileen.  
CAPITOL REPORTERS (775) 882-5322

1 Ben.

2 MEMBER JOHNSON: Yeah. I really appreciate the  
3 discussion you guys have already had. I think a lot of very  
4 pertinent facts have been discussed.

5 My question, what I would like to explore a  
6 little bit and hopefully with the help of Dawn is this idea of  
7 reappraisal. Would we have -- Can we order one? I've heard  
8 Ms. Fulstone's testimony that's something we can't do because  
9 the Supreme Court told us we can't. What can we or can't we  
10 do as a board?

11 MS. BUONCRISTIANI: I think if you look at your  
12 writ of mandate, I agree with what Dennis was saying in that  
13 it leaves it pretty open as to what you can do. I'm not sure,  
14 and I couldn't tell you that I agree with Ms. Fulstone in  
15 terms of you are limited to what the Supreme Court has said in  
16 Bakst or Barta. Because you have the opportunity. This is  
17 very similar properties, but these, this is a hearing where  
18 you're taking information. And for you to ignore information  
19 that you take or that you could take there wouldn't be a  
20 purpose to the hearing. Does that answer your question?

21 MEMBER JOHNSON: It does. When I look at the  
22 writ I see we can take actions as it required to modify the  
23 values for equalization. So I read that the same way you do.  
24 What I struggle with is its equalization is a two-prong  
25 approach and here we do have methods of appraisal we use that  
CAPITOL REPORTERS (775) 882-5322



1 are deemed to be unconstitutional. But in changing that, the  
2 level of assessment also has to be what's required by law.

3 And what I struggle with is I think Ms. Fulstone  
4 would have raised the issue that if the current values  
5 exceeded, current taxable values exceeded market they would be  
6 raising that issue before us and we would hear all about it.  
7 So therefore, I'm led to believe that in the current condition  
8 taxable value is not exceeding market value. And we're coming  
9 back to a solution that's going to reduce the taxable rolls in  
10 Washoe County by 1.9 billion dollars and I struggle with that.  
11 That leads me to believe that's going to cause us to be out of  
12 conformance with the level of assessment required by law.

13 And I see a couple options here. One, that's  
14 just my thought based on the actions. We don't know for sure  
15 so we could order a sales ratio study to find out if we are or  
16 are not in compliance with the level of assessment required by  
17 law under the motion that Anthony made last time, which I  
18 thought was a good one. Or second, where I tend to want to go  
19 here, is let's get a reappraisal. It doesn't sound like we  
20 can't. So I would be in the camp of let's get it right. We  
21 have the ability to. This writ doesn't tell us that we can't.  
22 I want to see it right and we have the ability now to go back  
23 and use methods that were correct at the time. And that's  
24 where my head is if it were not -- I wouldn't mind seeing a  
25 reappraisal.

CAPITOL REPORTERS (775) 882-5322

1 MEMBER MARNELL: Mr. Chairman.

2 CHAIRMAN WREN: Yes.

3 MEMBER MARNELL: Was my first thoughts when we  
4 had this meeting in November. I do believe in my heart that  
5 it is absolute the 100 percent way to guarantee that this is  
6 right for everybody and all parties, you know, removing the  
7 unconstitutional methods and using the methods that were --  
8 removing the unconstitutional methods and using the methods  
9 that were approved at the time. I'm not sure if the county  
10 has the ability to even do that with how their technology and  
11 their systems have evolved to the new regulations and laws.  
12 But if it was doable, it's certainly one that I could support  
13 if the rest of the board feels strongly about the reappraisal  
14 of those three years. And I didn't really hear from Dawn that  
15 she felt we couldn't do it. But she was also very cautious in  
16 not confirming that we hundred percent could do it. But I  
17 don't have any problem moving forward with what she said if  
18 that's the direction that you all would like to take. It also  
19 sounds like something that would make Dennis feel pretty  
20 comfortable as well, but I won't speak for him.

21 MEMBER MESERVY: Much happier.

22 CHAIRMAN WREN: Yeah. That is one of the things  
23 that we've talked about several times now and it is the only  
24 fair way to look at this situation, I think that would I would  
25 entertain is a motion that we direct the assessor to  
CAPITOL REPORTERS (775) 882-5322

1 reevaluate the parcels that he has identified as having been  
2 appraised using unconstitutional techniques to reappraise  
3 those or reassess those for the appropriate years, but a  
4 couple things probably need to happen if we have them do that.  
5 I've said this before. There's a likelihood that when you go  
6 back and reappraise the property that it will be higher than  
7 what it was assessed for to start off with. So it seems to me  
8 to be fair to everybody that if in fact the assessor found by  
9 reappraising these properties that any exceeded the values  
10 that they had on originally, that the original values would be  
11 maintained and not increased.

12 MEMBER MARNELL: Mr. Chairman, I don't believe  
13 that's the -- in the writ from the judge on page two, I  
14 believe it is number three, that if the board proposes to  
15 increase the valuation of any property on the assessed roll of  
16 any county that we should comply with provisions of NRS  
17 361.395(2).

18 So I guess all I would throw in is that if we're  
19 going to do this, in my opinion, and the board can chime in,  
20 it is what it is. If it comes back and it goes up, then it  
21 goes up. If it goes down, then it goes up. If it goes up,  
22 then it needs to comply with this section according to what  
23 the judge told us to do.

24 CHAIRMAN WREN: Okay.

25 MEMBER MARNELL: I don't think we can get in a  
CAPITOL REPORTERS (775) 882-5322

1 game that well, if it goes up we don't want it to go up so  
2 we're sorry. And if it goes down then that's good for the  
3 taxpayer. I think if we're going to do this right, remove the  
4 unconstitutional methods, do the reappraisal and it is what it  
5 is. And then the ones that do go up, make sure it doesn't --  
6 make sure it doesn't violate NRS 361.395(2). Just my opinion.

7 CHAIRMAN WREN: I agree.

8 MEMBER MESERVY: I really like what Mr. Marnell  
9 is saying and I agree with what he's saying. And again, it  
10 will just strictly be those that are related to this issue  
11 because they're the ones in part of the suit.

12 CHAIRMAN WREN: Okay. Anthony, do you want to --  
13 As it is right now, we have a motion that if we don't do  
14 anything, we stand, we can reaffirm that motion. Or Anthony,  
15 if you wanted to make a new motion that would supercede your  
16 previous motion.

17 MEMBER MARNELL: Okay, Mr. Chairman, I'm happy to  
18 make a motion. Dawn or Terry, could you rejog my memory on  
19 exactly what the case number is here that we're dealing with  
20 or is this just the --

21 MS. BUONCRISTIANI: This is subject to the writ  
22 of mandamus from the Second Judicial District Court of the  
23 State of Nevada, County of Washoe, that was known as Case  
24 Number CV-003-0922. Is that enough?

25 MEMBER MARNELL: 06922?  
CAPITOL REPORTERS (775) 882-5322

1 MS. BUONCRISTIANI: Yes. CV --  
2 MEMBER MARNELL: Okay. So Mr. Chairman, on  
3 CV-03-06922, based on all the evidence again that has been  
4 provided and all the testimony and in the brief discussion  
5 that we've had with our counsel and it seems like in  
6 concurrence with what all board members feel is the  
7 appropriate correct action to make sure that we ensure that  
8 this is 100 percent correctly done with constitutional methods  
9 and at the same time equalizing across the area of Incline  
10 Village and Crystal Bay. The motion would be to Washoe County  
11 assessor's office to reappraise all properties for the 03-04,  
12 05-06 and 0 -- I'm sorry. 03-04, 04-05 and 05-06 to  
13 reappraise all properties in those three tax years that were  
14 unconstitutionally appraised or identified as  
15 unconstitutionally appraised and to determine the new taxable  
16 value. And in the event that any of those valuations  
17 increase, to assure that we comply with NRS 363.395(2).  
18 And I would also include in my motion that they  
19 use all necessary means to accomplish this goal. And I'm  
20 assuming that that's going to cost them some money. But I'm  
21 sure it's far better than a 1.5 billion dollar property tax  
22 drop. So they're going to need to go figure out within their  
23 coffers and their budgets on how to accomplish that goal.  
24 But I think it's appropriate that that not be an  
25 excuse to be able to not do it and that they may need some  
CAPITOL REPORTERS (775) 882-5322

1 technological assistance and also maybe some people assistance  
2 in order to go do this. And I don't have a time frame because  
3 I have no idea how complicated that is. So I would look to  
4 you for a time frame in which we would like this done.

5 MEMBER MESERVY: I'll second that long motion.

6 CHAIRMAN WREN: Ben.

7 MEMBER JOHNSON: The only part that I don't know  
8 if it's possible to augment the motion is we need to deal with  
9 the level of assessment required by law. So what we're going  
10 to have here in the end is we'll have values that are using  
11 the methodologies required by law, but we have no way then to  
12 determine if those new values are at the level of assessment  
13 required by law.

14 So I would like to augment it and ask that based  
15 on whatever the results are from the Washoe County assessor's  
16 office that Terry prepare a sales ratio study on those to  
17 determine if they're at the level of assessment required by  
18 law.

19 CHAIRMAN WREN: Would you include that in your  
20 motion?

21 MEMBER MARNELL: I don't have a problem with  
22 that.

23 MEMBER MESERVY: And I'll second that addition.

24 CHAIRMAN WREN: Okay. Any other comments?

25 MEMBER MARNELL: Mr. Chairman, do you have a time  
CAPITOL REPORTERS (775) 882-5322

1 frame that you think that this should be done by? Maybe in  
2 the next decade.

3 CHAIRMAN WREN: Yeah, that's kind of what I was  
4 thinking.

5 MS. BUONCRISTIANI: That was the statement that I  
6 was going to make after you finished your motion is that I  
7 have a response to make to the court by somewhere around  
8 mid-February. But I could ask for an extension based on what  
9 you're proposing to do.

10 MEMBER MARNELL: I really don't know if you want  
11 to open it back up for testimony to hear what Mr. Wilson would  
12 like to say or not or maybe you just have a good feeling,  
13 Mr. Chairman, on how long this will take.

14 CHAIRMAN WREN: You know, I don't. It would be a  
15 guess on my part and it would appear to be a guess on his part  
16 also. I think it would be reasonable to say to have it  
17 accomplished within the next 12 months. I'm not sure that it  
18 needs to be done any sooner than that. It is going to be  
19 somewhat complicated. I think that the Court will be answered  
20 by our decisions that we make. What the final action is  
21 really doesn't matter as far as the coming court dates. So I  
22 would say that we have everything accomplished within a  
23 12-month period.

24 And I'll also state that if it gets to a point  
25 where the assessor requires more time then he can come -- he  
CAPITOL REPORTERS (775) 882-5322

1 can ask us for it.

2 MEMBER JOHNSON: I just want to speak to that  
3 briefly. On page number 16 of Mr. Creekman's response, he  
4 indicates that the assessor's office could reappraise the  
5 properties at issue -- Where does he say it? He says -- It's  
6 the first paragraph on that page. But based on this it seems  
7 to indicate that Washoe County would be able to accomplish it.  
8 They would want, need a little bit of time but that they could  
9 do it.

10 MEMBER MARNELL: Yeah. I think within six months  
11 to one year is fair, appropriate and -- So I think we should  
12 leave it, Mr. Chairman, and six months to no later than one  
13 year.

14 CHAIRMAN WREN: Okay. Very good. Dennis, do you  
15 agree with that in your second?

16 MEMBER MESERVY: I second that too, the addition.

17 CHAIRMAN WREN: Okay. All right. I have a  
18 motion and second. Any other comments? Okay. All in favor  
19 say aye.

20 (The vote was unanimously in favor of the motion)

21 CHAIRMAN WREN: Opposed? Okay. It carries  
22 unanimously. All right. Thank you very much, members.

23 Okay. Terry.

24 MS. RUBALD: Mr. Chairman, that takes us to Item  
25 D, possible action statewide equalization.

CAPITOL REPORTERS (775) 882-5322



1                   MEMBER MARNELL: Mr. Chairman, I would throw my  
2   comments in. I think I've already said this in the prior  
3   comments, but I did not see any evidence whatsoever anywhere  
4   in any of the testimony since I've been on this board that  
5   requires any statewide action of equalization. I don't think  
6   there's been any evidence provided that we have any --  
7   anything other than what the assessors were supposed to do and  
8   when we do get that information from Terry I think we've made  
9   the -- taken the appropriate actions throughout the years.  
10   And I think that we should continue our investigations on the  
11   grievances that were brought before us in September like we  
12   asked and that the department and that those local assessors  
13   continue to look in to those particular grievances by those  
14   very few property owners across the state.

15                  CHAIRMAN WREN: Okay. And for the record, I also  
16   want to point out that we did have our September hearing.  
17   That was in accordance with the Court's order that we have a  
18   hearing for the taxpayers for the State of Nevada. That  
19   hearing was amply addressed throughout the State of Nevada and  
20   the taxpayers had the opportunity to come before us and very  
21   few did. So I agree with Anthony. But I don't see where we  
22   have any other obligation for equalization.

23                  Ben.

24                  MEMBER JOHNSON: I agree with what you guys are  
25   saying. I want to ask Dawn if she felt we met the obligation  
                  CAPITOL REPORTERS (775) 882-5322

1 of the writ and equalizing on a statewide basis based on our  
2 actions that have been aforementioned?

3 MS. BUONCRISTIANI: I would say that the  
4 interpretation of the writ as to what you needed to do would  
5 be what the board determines that it needs to do and also as  
6 to equalization your view of the State Board of Equalization  
7 and what the evidence has been presented to you and the issues  
8 have been presented to you and that you have acted on those to  
9 -- for purposes of equalization to the extent that you find it  
10 necessary then that would be what I would report to the Court.

11 CHAIRMAN WREN: Okay. Anything else on statewide  
12 equalization for the members?

13 Okay. Terry.

14 MS. RUBALD: Mr. Chairman, that brings us to Item  
15 E, briefing to and from the board and the secretary and staff  
16 on briefing schedules and hearing schedules. And I have  
17 nothing to report to you on that matter. The next time we  
18 would probably meet would be March.

19 CHAIRMAN WREN: Okay. Fifth Monday of March.  
20 Okay.

21 Public comment? Okay. This hearing is  
22 adjourned. Thank you.

23 (Hearing concluded at 11:37 a.m.)  
24

25 CAPITOL REPORTERS (775) 882-5322

1 STATE OF NEVADA )  
2 ) ss.  
3 CARSON CITY )

4 I, CHRISTY Y. JOYCE, Official Court Reporter for the  
5 State of Nevada, Department of Taxation, do hereby certify:

6 That on Monday, the 3rd day of December, 2012, I was  
7 present at State Board of Equalization for the purpose of  
8 reporting in verbatim stenotype notes the within-entitled  
9 public meeting;

10 That the foregoing transcript, consisting of pages 1  
11 through 82, inclusive, includes a full, true and correct  
12 transcription of my stenotype notes of said public meeting.

13  
14 Dated at Reno, Nevada, this 30th day of December,  
15 2012.

16  
17  
18  
19  
20 CHRISTY Y. JOYCE, NV CCR #625

21  
22  
23  
24  
25  
CAPITOL REPORTERS (775) 882-5322