

IN THE SUPREME COURT OF THE STATE OF NEVADA

VILLAGE LEAGUE TO SAVE INCLINE)
ASSETS, INC., A Nevada Non-Profit)
Corporation, on behalf of their members)
and others similarly situated, MARYANNE)
INGEMANSON, Trustee of the Larry D. &)
Maryanne B. Ingemanson Trust, DEAN R.)
INGEMANSON, Individually and as Trustee)
of the Dean R. Ingemanson Trust; J.)
ROBERT ANDERSON; LES BARTA;)
KATHY NELSON, Individually and as)
Trustee of the Kathy Nelson Trust; and)
ANDREW WHYMAN; et al.,)

vs.)

THE STATE OF NEVADA, BOARD OF)
EQUALIZATION; et al.,)

Respondents.)

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Case No. 63581
Tracie K. Lindeman
Clerk of Supreme Court

APPEAL

Case No. CV03-06922

**Of the Second Judicial District Court of the State of Nevada
Before the Honorable Patrick Flanagan**

APPELLANTS' SUPPLEMENTAL APPENDIX

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Reply to State Board of Equalization Response to Objections to February 2013 Decision on Equalization Grievances	5/6/2013	1	VL0007- VL0101

CERTIFICATE OF SERVICE

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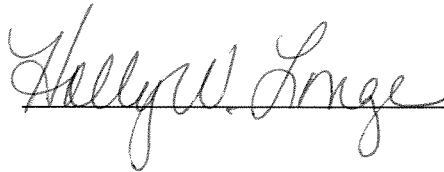
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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

VILLAGE LEAGUE TO SAVE INCLINE ASSETS,
INC., a Nevada non-profit corporation, as authorized
representative of the owners of more than 1300 residential
properties at Incline Village/Crystal Bay; MARYANNE
INGEMANSON, Trustee of the Larry D. and Maryanne
B. Ingemanson Trust; KATHY NELSON, Trustee of the
Kathy Nelson Trust; ANDREW WHYMAN; on behalf
of themselves and others similarly situated,

Petitioners,

vs.

STATE OF NEVADA on relation of the STATE BOARD
OF EQUALIZATION; WASHOE COUNTY; TAMMI
DAVID, Washoe County Treasurer; JOSH WILSON,
Washoe County Assessor; LOUISE H. MODARELLI;
WILLIAM BROOKS; CITY HALL, LLC; PAUL RUPP;
DAVE DAWLEY, Carson City Assessor; NORMA
GREEN, Churchill County Assessor; MICHELE SHAFE,
Clark County Assessor; DOUGLAS SONNEMANN,
Douglas County Assessor; KATRINKA RUSSELL, Elko
County Assessor; RUTH LEE, Esmeralda County
Assessor; MIKE MEARS, Eureka County Assessor; JEFF
JOHNSON, Humboldt County Assessor; LURA DUVALL
Lander County Assessor; MELANIE MCBRIDE, Lincoln
County Assessor; LINDA WHALIN, Lyon County
Assessor; DOROTHY FOWLER, Mineral County
Assessor; SHIRLEY MATSON, Nye County Assessor;
CELESTE HAMILTON, Pershing County Assessor;
JANA SNEDDON, Storey County Assessor; ROBERT
BISHOP, White Pine County Assessor;

Respondents.

Case No.: CV13-00522

Dept. No. 3

**MOTION TO
CONSOLIDATE CASES**

Petitioners move the Court for an order consolidating this case with the matter of “*Village League to Save Incline Assets, Inc., et al., v. The State of Nevada, on relation of the State Board of Equalization, et al.,*” Case No. CV03-06922, assigned to Dept. No. 7. This motion is supported by Rule 42 of the Nevada Rules of Civil Procedure, the declaration of counsel and the points and authorities which follow.

DATED this 11th day of March, 2013.

SUELLEN FULSTONE
SNELL & WILMER L.L.P.
50 West Liberty Street, Suite 510
Reno, Nevada 89501

/s/ Suellen Fulstone
by _____
Attorneys for petitioners

**POINTS AND AUTHORITIES IN SUPPORT OF
MOTION TO CONSOLIDATE CASES**

Under Rule 42 of the Nevada Rules of Civil Procedure, if “actions before the court involve a common question of law or fact, the court may . . . consolidate the action. . . .”

Petitioners ask this Court to enter an order consolidating this newly-filed case with Case No. CV03-06922, similarly entitled *Village League to Save Incline Assets, Inc., et al., v. The State of Nevada, on relation of the State Board of Equalization, et al.,* in the Second Judicial District Court in and for the County of Washoe. This motion for consolidation is made on the grounds that this case and Case No. CV03-06922 present essentially identical issues of fact and law.

The instant case is a petition for judicial review of the February 8, 2013 Equalization Decision issued by the State Board of Equalization after hearings held as ordered by a writ of mandate issued by the Second Judicial District Court in Case No. CV03-06922. The Court in Case No. CV03-06922 retained jurisdiction to review the State Board of Equalization's compliance with the writ of mandate. The February 8, 2013 Equalization Decision has been filed with the Court in Case No. CV03-06922 and the Village League to Save Incline Assets, Inc. and

other petitioners have filed their Objections on constitutional and other grounds in Case No. CV03-06922. A copy of those filed Objections is attached to the petition for judicial review in this matter.

Review of the State Board of Equalization's February 8, 2013 Equalization Decision is already proceeding in Case No. CV03-06922. The Court in Case No. CV03-06922 is familiar with the issues between the parties inasmuch as the case was filed in 2003 and has been twice to the Supreme Court since its filing. Because both Case No. CV03-06922 and this case raise the same issues, both matters should be consolidated in the interests of judicial efficiency and uniformity and consistency of determination.

Dated this 11th day of March, 2013.

SUELLEN FULSTONE
SNELL & WILMER L.L.P.
50 West Liberty Street, Suite 510
Reno, Nevada 89501

/s/ Suellen Fulstone
by _____
Attorneys for petitioners

AFFIRMATION

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

Dated this 11th day of March, 2013.

/s/ Suellen Fulstone
By: _____
Suellen Fulstone, No. 1615
Attorneys for Petitioners

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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Title of Exhibit</u>	<u>No. of Pages</u>
1.	Declaration of Suellen Fulstone	1

EXHIBIT 1

FILED
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Joey Orduna Hastings
Clerk of the Court
Transaction # 3581742

EXHIBIT 1

VL0005

DECLARATION OF SUELLEN FULSTONE

Suellen Fulstone, under penalty of perjury, declares as follows:

1. I am an attorney licensed to practice in the courts of State of Nevada, associated with the law firm of Snell & Wilmer, L.L.P., counsel for the Village League to Save Incline Assets, Inc. and remaining petitioners in this matter.
2. This petition for judicial review, assigned Case No. CV13-00522, presents the identical issues of fact and law as pending Case No. CV03-06922, also entitled "*Village League to Save Incline Assets, Inc., et al., v. The State of Nevada, on relation of the State Board of Equalization, et al.*," in the Second Judicial District Court in and for the County of Washoe.
3. The instant case seeks judicial review of the February 8, 2013 Equalization Decision issued by the State Board of Equalization after hearings held as ordered by a writ of mandate issued by the Second Judicial District Court in Case No. CV03-06922. The Court in Case No. CV03-06922 retained jurisdiction to review the State Board of Equalization's compliance with the writ of mandate. The February 8, 2013 Equalization Decision has been filed with the Court in Case No. CV03-06922 and the Village League to Save Incline Assets, Inc. and other petitioners have filed their Objections on constitutional and other grounds in Case No. CV03-06922. A copy of those filed Objections is attached to the petition for judicial review in this matter.
4. Review of the State Board of Equalization's February 8, 2013 Equalization Decision is already proceeding in Case No. CV03-06922. The Court in Case No. CV03-06922 is familiar with the issues between the parties inasmuch as the case was filed in 2003 and has been twice to the Supreme Court in the interim.
5. Under NRS 233B.130, however, a petition for judicial review must be filed within 30 days after service of a decision. The instant judicial review petition was filed to comply with NRS 233B.130.
6. Because both Case No. CV03-06922 and this case raise the same issues, counsel respectfully submits that both matters should be consolidated in the interests of judicial efficiency and uniformity and consistency of determination.

DATED this 11th day of March, 2013.

/s/ Suellen Fulstone

Suellen Fulstone

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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

VILLAGE LEAGUE TO SAVE INCLINE)	Case No.	CV03-06922
ASSETS, INC., a Nevada non-profit)		
corporation, on behalf of their members and)	Dept. No.	7
others similarly situated; et al.,)		
)		
Petitioners,)		
)		
vs.)		
)		
STATE OF NEVADA on relation of the State)		
Board of Equalization; WASHOE COUNTY;)		
BILL BERRUM, Washoe County Treasurer,)		
)		
Respondents.)		

**REPLY TO STATE BOARD OF EQUALIZATION RESPONSE TO OBJECTIONS TO
FEBRUARY 2013 DECISION ON EQUALIZATION GRIEVANCES**

Taxpayer-petitioners submit the following reply points and authorities in reply to the response filed by the State Board of Equalization ("SBOE") and in support of their objections to the SBOE's February 2013 decision on equalization grievances made under the auspices of the writ of mandate issued by this court.

I. SUMMARY OF ARGUMENT

In responding to taxpayer objections, the SBOE provides an extensive, revisionist and almost wholly irrelevant history of its statutory duty of equalization under NRS 361.395 with the apparent purpose of asking this Court to override the construction already placed by the Supreme Court on that statute. The SBOE necessarily misstates both the facts and the law to rationalize its February 2013 decision. Its arguments must be rejected and taxpayer objections sustained.

1 **II. THE SBOE DID NOT HOLD HEARINGS ON EQUALIZATION GRIEVANCES**
2 **UNDER THE WRIT OF MANDATE "PURSUANT TO THE EQUALIZATION**
3 **REGULATIONS ESTABLISHED FOR SUCH PURPOSE."**

4 The SBOE begins by arguing that it held the equalization grievance hearings required by
5 the writ of mandate "pursuant to the equalization regulations established for such purpose."
6 *State's Response to Plaintiffs' [sic] Objection [sic] to State Board of Equalization Report and*
7 *Order ("SBOE Response")*, p. 2, lns. 12-14. Neither part of that statement is factually correct. The
8 SBOE hearings required by the writ of mandate were **not** held under the equalization regulations
9 adopted by the SBOE in 2010 to become applicable with the 2011-2012 tax year ("the 2010
10 equalization regulations"). Furthermore, the 2010 regulations were **not** "established" to hear
11 taxpayer equalization grievances or any remotely similar purpose.

12 **A. The SBOE Did Not "Follow" Its 2010 Equalization Regulations In Its**
13 **Hearing Of The Equalization Grievances In This Matter.**

14 It is indisputable that the SBOE did **NOT** "follow" its 2010 equalization
15 regulations in this matter. Following the 2010 equalization regulations would have required the
16 SBOE to review, at a minimum, the following:

- 17 (1) the tax rolls of every county in Nevada for each of the years in question
18 (2003/2004 to 2010/2011),
- 19 (2) the centrally assessed roll for each of the years in question,
- 20 (3) the ratio studies conducted by the Department in each of the years in question,
- 21 (4) the work practices audits conducted by the Department in each of the years in
22 question. *NAC 361.660*.

23 None of those materials can be found in the record of this equalization grievance proceeding.

24 Similarly, the SBOE did not "follow" its 2010 equalization regulations in ordering the
25 Washoe County Assessor to reappraise residential property at Incline Village/Crystal Bay for the
26 three tax years 2003-2004, 2004-2005, and 2005-2006. The regulations require a Department
27 investigation of the Assessor's office and operation. *NAC 361.663*. Before it can order
28 reappraisal of any property, the SBOE must also make a formal preliminary finding that "a class
or group of properties was not assessed uniformly in accordance with methods of appraisal and at

level of assessment required by law" and then schedule a hearing on that specific finding. *NAC 361.664*. Notice of that hearing must be provided to the Tax Commission and to the Board of County Commissioners in the targeted County. *Id.* Only upon the completion of the hearing on the preliminary finding may the SBOE enter an order for reappraisal or take other action. *NAC 361.665*. An order for reappraisal must include a statement of the pertinent findings of fact made by the SBOE and must specify

(1) The class or group of properties affected;

(2) The purpose and objectives of the reappraisal; and

(3) The procedures required for the reappraisal, including the particular methods of appraisal prescribed by the regulations of the Commission. *Id.*

Again, no evidence of the SBOE's compliance with the "reappraisal" provisions of its 2010 equalization regulations can be found in the record of the administrative proceeding below.

B. The SBOE Equalization Regulations Were Not Established To Resolve Taxpayer Equalization Grievances And Contain No Provisions Whatsoever For The Hearing And Resolution Of Taxpayer Grievances.

The SBOE's equalization regulations were not in any sense "established" for the "purpose" of determining taxpayer equalization grievances. A copy of the equalization regulations as adopted is attached as Exhibit 1 to this reply. There is no evidence in either the language of the equalization regulations or the history of their adoption to support the SBOE's argument. The SBOE's equalization regulations make no provision whatsoever for taxpayer equalization grievances or even for taxpayer parties to any equalization proceeding. At most, the 2010 equalization regulations allow, under very limited circumstances, testimony from taxpayers as "interested persons" but that is as far as those regulations go with respect to participation by taxpayers. The 2010 equalization regulations were, in fact, drafted by the Department with the "purpose" of **excluding** taxpayers and taxpayer equalization grievances.

III. IN *BARTA AND MARTIN*, THE SUPREME COURT OUTLINED THE PROCEDURE TO BE FOLLOWED IN THE DETERMINATION OF TAXPAYER EQUALIZATION GRIEVANCES.

The 2010 equalization regulations are extensive. *NAC 361.650-351.669*. Most of the provisions of those regulations, including the provisions defining "equalize property valuations"

1 and purportedly authorizing the SBOE to order reappraisals and ratio studies, were expressly
2 made prospectively effective, beginning after the 2010-2011 tax year concluded. *Exhibit 1*, p. 1.
3 Notwithstanding their expressly prospective effective date, the SBOE now argues that this Court
4 should allow the SBOE's use of selected portions of those regulations retroactively in the
5 resolution of 2003-2004, 2004-2005, and 2005-2006 tax year equalization grievances. The SBOE
6 even argues that the use of the 2010 equalization regulations may be "required" by the Nevada
7 Supreme Court decisions in *State ex rel. Board of Equalization v. Bakst (Bakst)*, 122 Nev. 1403,
8 148 P.3d 717 (2006), and *State ex rel. Board of Equalization v. Barta (Barta)*, 124 Nev. 58, 188
9 P.3d 1092 (2008). The SBOE's argument is not only contrary to the facts; it is also illogical and
10 intellectually dishonest.

11 The SBOE provides a somewhat laborious "revisionist" history of statewide equalization.
12 The Supreme Court, however, has already provided both a more succinct and more accurate
13 description of statewide equalization as it was practiced by the SBOE prior to the 2010
14 equalization regulations. Based on representations and assurances from the AG's office that the
15 SBOE had performed its duty of statewide equalization, the Carson City District Court remanded
16 the 2004-2005 Incline Village/Crystal Bay tax cases to the SBOE to establish a record of that
17 equalization. In its opinion in *Barta, supra*, the Court described the SBOE hearing as follows:

18 The transcript of the State Board hearing reflects, however, that the
19 State Board appeared uncertain about how to equalize property
20 values, the scope of its duty to equalize, or how to resolve potential
21 conflicts between its and the Tax Commission's property value
22 determinations. The Department of Taxation contended that the
23 duty to equalize statewide was accomplished through the
24 Department's ratio studies and review of county assessors'
25 methodologies and work product and, thus, the State Board had no
26 independent duty or power to engage in equalization. The
27 Taxpayers, however, argued that the State Board had both a
28 statutory duty and the authority to equalize property values
statewide. After also hearing from the public, the Assessor, and a
Deputy Attorney General, the State Board concluded that it needed
more time to consider the remanded issue and continued the matter,
without responding to the district court's remand order. 124 Nev. at
619.

The Court rejected the Department's attempt to substitute esoteric "ratio studies" and the
Department's alleged "review" of county assessors' methodologies for the SBOE's duty of

1 statewide equalization. The Court had already documented the failure of that "review" in its
2 *Bakst* decision. The Supreme Court read the plain language of the statute and concluded that:

3 Under NRS 361.395(1), the State Board clearly has a duty to
4 equalize property valuations throughout the state: "the [State
5 Board] shall ... [e]qualize property valuations in the State." * * *
6 The record reflects that the State Board failed to explain how it
7 equalized property values for the 2004-2005 tax year, if indeed it
8 did so. 124 Nev. at 627-628.

9 The Court had occasion to address the SBOE's duty of statewide equalization again in *Marvin v.*
10 *Fitch*, 126 Nev. Adv. Op. 18, 232 P.3d 425 (2010), writing as follows:

11 Although the statutes clearly provide that the State Board has a duty
12 to equalize property valuations throughout the state, **there appears**
13 **to be a lack of certainty in the procedures for the equalization**
14 **process that has resulted in an ambiguity as to whether the**
15 **process is an administrative or a quasi-judicial function.** NRS
16 361.395(1) obligates the State Board to equalize property
17 valuations, and NRS 361.395(2) and 361.405(1) require notice be
18 given to property owners when equalization results in a proposed or
19 actual increase to a property's valuation. However, NRS Chapter
20 361 lacks clarity as to the processes and procedures that the State
21 Board undertakes in determining to equalize property valuations,
22 equalization methods, and the relevant sequence of events. When
23 the Legislature has addressed a particular matter with imperfect
24 clarity, this court will consider the statutory scheme as a whole and
25 any underlying policy in order to interpret the law. [Citation
26 omitted.] 232 P.3d at 430. (Emphasis added.)

27 The Court then concluded that the SBOE's equalization "process" was a quasi-judicial function
28 governed by the existing contested case SBOE regulations:

Considering the factors in the "functional approach," the members
of the State Board perform quasi-judicial functions because the
equalization process requires the members to perform functions
(fact-finding and making legal conclusions) similar to judicial
officers, the process is adversarial, it applies procedural safeguards
similar to a court, errors can be corrected on appeal, and the
statutory scheme retains State Board members' independence from
political influences. 232 P.3d at 430.

The Court also discussed the policy underlying the equalization process:

Additionally, NRS Chapter 361 clearly demonstrates the
Legislature's intent that the equalization process be open to the
public and that the individual taxpayer be given notice of and the
opportunity to participate in the State Board's valuation of his or her
property. To conclude that the State Board's equalization process is
a purely administrative function rather than a quasi-judicial

1 function may preclude a taxpayer's ability to participate in this
2 process. If the equalization process was determined to be
3 administrative, Nevada's taxpayers in general would not be assured
4 of their adversarial right to participate in the meetings, present
5 evidence, provide testimony, or seek judicial review. By concluding
6 that the State Board's equalization process is quasi-judicial, we
7 honor the Legislature's intent and safeguard every taxpayer's right
8 to meaningfully participate in the annual equalization process. 232
9 P.3d at 432-433.

10 In its *Marvin v. Fitch* opinion, issued prior to the adoption of the 2010 equalization
11 regulations, the Supreme Court described and established the procedure to be followed by the
12 SBOE in determining equalization issues for tax years prior to 2011-2012. In fact, that procedure
13 was based on the arguments made by SBOE counsel. Furthermore, the SBOE here initially
14 followed this procedure, noticing the hearing as a contested case (NRS 233B.121), inviting
15 taxpayers to file grievances and submit evidence, and swearing witnesses and taking testimony.
16 *See Exhibit 2.*

17 At the second hearing, however, the Department again asserted itself, as it had attempted
18 to in *Bakst*, to take control of the process. The Department representative, Terry Rubald,
19 interjected the definition of "equalize property valuations" that was adopted as part of the 2010
20 regulations. *NAC 361.652; Transcript, Nov. 5, p. 55.* Using that 2010 definition laid the
21 foundation for proposing both reappraisals and "ratio studies" targeted at Incline Village/Crystal
22 Bay residential property taxpayers, a combination which could effectively override both the *Bakst*
23 and *Barta* decisions. Led by the Department, the SBOE improperly delegated its statewide
24 equalization duty to the Assessor and to the Department – to the Assessor to determine which
25 properties were valued unconstitutionally initially and to revalue those properties and to the
26 Department to determine with a "ratio study" that the Assessor's new values were at the "right
27 level of assessment." Just as the SBOE rubber-stamped the initial Assessor's valuations that were
28 reversed in *Bakst* and *Barta*, the reappraised values and the targeted ratio study would receive a
perfunctory SBOE hearing an approval.

Going even further, the SBOE now argues that there was no contested case, that the

1 taxpayer equalization grievances were actually heard under the 2010 regulations¹, that the Board
2 was merely getting the "advice" of taxpayers and assessors not taking evidence, and that its
3 decision is unreviewable. *SBOE Motion to Dismiss*, filed in Case No. CV 13-00522
4 (the parallel judicial review proceeding), p. 19. The SBOE, however, cannot have it both ways,
5 arguing in *Marvin v. Fitch* that its equalization decisions are quasi-judicial and afford the
6 individual Board members with judicial immunity and then arguing now that its equalization
7 decisions are administrative, shutting out both taxpayers and the court.

8 In *Marvin v. Fitch*, the Supreme Court opted for the public, transparent, taxpayer friendly
9 approach to the SBOE's duty of statewide equalization. It rejected the Department's efforts to
10 close equalization to taxpayers through abstruse statistics and internal bureaucratic "reviews."
11 The Supreme Court has also expressly rejected reappraisals as a remedy for unconstitutional
12 valuations. In *Barta*, the SBOE argued for a remand to allow for new, "constitutional" values to
13 be set. The Court refused, on the grounds that the prior year's valuation was "a concededly
14 appropriate valuation" based on the absence of taxpayer challenges. 124 Nev. at 627.²

15 When the Department said "trust us, we know what we're doing," the Supreme Court said,
16 "we think the Legislature intended a public process of SBOE statewide equalization accessible to
17 individual taxpayers." At least prior to the 2010 equalization regulations, there was no place in
18 SBOE equalization for ratio studies or reappraisal orders. This court is bound by Supreme Court
19 precedent.³

21 ¹ The Notice of Equalization Hearing dated August 28, 2012, for the initial September 18,
22 2012 hearing significantly references only NAC 360.732 (having to do with preliminary reports
23 on performance audits done on county officers; no such audit was done in this matter) and NAC
24 361.659. There is no reference to the definition in NAC 361.652 or any other provision of the
2010 equalization regulations. See *Exhibit 1*.

25 ² In *Barta*, the Court inadvertently referred to a remand in *Nellis Housing v. State of*
26 *Nevada*, 75 Nev. 267, 277, 339 P.2d 758, 763 (1959), for a "new appraisal by the assessor." 124
Nev. at 627. In *Nellis Housing*, the Court remanded the matter to the Clark County Board of
Equalization "for evaluation of the leaseholds here involved. . . ." 75 Nev. at 277, 278.

27 ³ The SBOE also argues that, absent the 2010 equalization regulations, it would be acting
28 without the "guidance" of any regulations and "a property owner could easily reference the *Bakst*
and *Barta* cases claiming an unconstitutional lack of uniformity and equality." *SBOE Response*,
p. 12, *Ins. 1-3*. This argument is wrong on every level.

1 **IV. THE DEFINITION OF "EQUALIZE PROPERTY VALUATIONS" ADOPTED IN**
2 **THE 2010 EQUALIZATION REGULATIONS WAS A SIGNIFICANT**
3 **CHANGE IN THE LAW WHICH CANNOT BE APPLIED RETROACTIVELY.**

4 The SBOE argues that the use of the 2010 equalization regulations in this case does not
5 violate the prohibition against retroactive application of the law because those regulations merely
6 concern procedures and remedies. The SBOE, of course, did not even attempt to apply those
7 regulations in their entirety and does not argue for such application. Following the Department's
8 lead, the SBOE simply wants to apply the definition of "equalize property valuations" because it
9 justifies a Department ratio study (NAC 361.652) and the purported authority for ordering both
10 ratio studies and reappraisals (NAC 361.662; 361.665). Without regard to the legality of selective
11 application of those regulations or their omission of any provision whatsoever for the
12 determination of taxpayer grievances, the newly adopted definition of "equalize property
13 valuations" is clearly a significant change in the law. The new definition of "equalize property
14 valuations" is not a "procedure" or a "remedy;" it is a substantive change that cannot be
15 retroactively applied.

16 By the SBOE's own admission, historically it has "equalized" only as a result of hearing

17 (1) The SBOE did not follow the 2010 equalization regulations as the most cursory look
18 at the record demonstrates.

19 (2) The 2010 equalization regulations contain no provisions whatsoever for addressing
20 and resolving taxpayer grievances. There is nothing in those regulations to "follow" if the SBOE
21 were inclined to do so.

22 (3) Even, assuming hypothetically that the 2010 equalization regulations had provisions for
23 taxpayer grievances and equally hypothetically that the SBOE followed those regulations, the *Bakst/Barta*
24 argument is still inapposite.

25 At the time of the individual property valuations that gave rise to the *Bakst* and *Barta* decisions,
26 NRS 361.250 provided that the Tax Commission was to "[e]stablish and prescribe general and uniform
27 regulations governing the assessment of property by the county assessors of the various counties." The
28 purpose of this statute was, in a taxable value system, to make sure that all the assessors followed the same
29 valuation methods as prescribed by the Tax Commission. The Washoe County Assessor's use of
30 unauthorized valuation methods for the 2003-2004 led to the initial determination that the resulting
31 valuations were unconstitutional and void. *Bakst, supra*. There is no valid comparison with the
32 determination of equalization grievances. In *Bakst* and *Barta*, there not only was a statutory mandate upon
33 the Tax Commission to prescribe valuation methods by regulation, the Tax Commission had, in fact,
34 prescribed such methods. The methods established by regulation were inadequate for the circumstances
35 presented at Incline Village/Crystal Bay. The inadequacy of those existing regulations, however, did not
36 give the County Assessor the legal right to adopt his own, non-uniform methods. Here, however, there is
37 neither a statutory requirement for the development of regulations to determine equalization grievances
38 nor have any such regulations ever been developed.

1 individual appeals, extending, for example, a decision to reduce a valuation to other properties in
2 the same neighborhood. Similarly, in the equalization regulations adopted by the SBOE some
3 thirty-plus years ago to govern county boards of equalization, the emphasis is on geographic
4 equalization. *NAC 361.624*. Likewise, when the SBOE affirmed the County Board of
5 Equalization's decision to reset all the Incline Village/Crystal Bay residential properties
6 valuations for the 2006-2007 tax year to their constitutional 2002-2003 values, there was no
7 discussion whatsoever of "level of assessment."

8 In Nevada, as elsewhere generally, statutes operate prospectively in the absence of a clear
9 manifestation of an intent to apply the statute retroactively. *Star Ins. Co. v. Neighbors*, 122 Nev.
10 773, 780-782, 138 P.3d 507(2006); *Boyes v. Valley Bank*, 101 Nev. 287, 291, 701 P.2d 1008,
11 1011 (1985); *Montesano v. Donrey Media Group*, 99 Nev. 644, 650 n. 5, 668 P.2d 1081, 1085 n.
12 5 (1983), *cert. denied*, 466 U.S. 959, 104 S.Ct. 2172, 80 L.Ed.2d 555 (1984). As noted above, the
13 intent with respect to the 2010 equalization regulations was expressly prospective, including
14 specifically the definition of "equalize property valuations." *See Exhibit 1*, pp. 1, 14. In adopting
15 equalization regulations for the first time, the SBOE explicitly distinguished between those
16 provisions that would become effective upon approval of the regulations and those that would not
17 become effective until after the 2010-2011 tax year was completed. The SBOE itself put the
18 definition of "equalize property valuations" in the second, delayed-effectiveness category. It
19 cannot change its mind now and apply that definition in isolation to pre-2006 Incline
20 Village/Crystal Bay taxpayer equalization grievances.

21 **V. THE SBOE LACKS THE "DISCRETION" TO EXPAND ITS STATUTORY**
22 **JURISDICTION TO INCLUDE THE POWER TO ORDER REAPPRAISALS.**

23 The SBOE is unable to provide any statutory basis for its claim of jurisdiction to order the
24 Washoe County Assessor to conduct mass reappraisals of Incline Village/Crystal Bay residential
25 property. It is similarly unable to provide a single prior instance in which it has ordered even the
26 reappraisal of a single property. The SBOE relies solely on its "discretion" to sustain its
27 reappraisal order. *SBOE Response*, pp. 17-20. In support of its "discretion" as a basis for
28 expanding its jurisdiction, the SBOE cites *Washoe County v. John A. Dermody, Inc.*, 99 Nev. 608,

1 668 P.2d 280 (1983), and *Imperial Palace, Inc. v. State By and Through Dept. of Taxation*, 843
2 P.2d 813, 108 Nev. 1060 (Nev.1992). *Dermody* and *Imperial Palace* are decisions involving the
3 SBOE's exercise of its valuation judgment – to decide what depreciation formula to use or what
4 method to value certain kinds of improvements. Ordering mass reappraisals by a county assessor
5 or targeted ratio studies by the Department is not an exercise of the SBOE's valuation judgment;
6 in fact, it is an improper delegation of that judgment to another entity not accountable to the
7 taxpayer.

8 The SBOE also argues that its decision to order mass reappraisals should be affirmed
9 because "reappraisal was a reasonable remedy." *SBOE Response*, p. 19, ln. 19. The SBOE cites
10 several cases from the 1960s in other jurisdictions to support that proposition: *Carpenter v. State*
11 *Board of Equalization and Assessment*, 134 N.W.2d 272 (Neb. 1965); *Coan v. Board of Assessors*
12 *of Beverly*, 211 N.E.2d 50 (Mass. 1965); *McNayr v. State ex rel. Dupont Plaza Center, Inc.*, 166
13 So.2d 142 (Fla. 1964); *Village of Ridgefield Park v. Berger County Board of Taxation*, 157 A.2d
14 829 (N.J. 1960). None of those cases involves an order from a State Board of Equalization or
15 other tax agency for mass reappraisals or for any reappraisal whatsoever. In *Carpenter*, the State
16 Board of Equalization was affirmed in its rejection of an inadequate sales ratio study. In so
17 doing, it also affirmed that, in Nebraska (as in Nevada), the State Board of Equalization can only
18 exercise the powers given to it by statute. 134 N.W.2d at 277. *Coan* involved a suit by taxpayers
19 for an injunction against ongoing discriminatory assessment practices. The court entered an order
20 requiring the re-evaluation of properties going forward. *Coan* did not involve an order for the
21 retroactive reappraisal of properties in past years.

22 In *McNayr*, the Dade County Assessor determined the value of property and then
23 exercised his "discretion" to place it on the tax rolls at 50% of that value. A commercial property
24 owner brought an action in mandamus alleging that putting property on the rolls at 50% violated
25 the law and discriminated in favor of residential property because it had the effect of doubling the
26 statutory homestead exemption. The court agreed with the taxpayer, overrode the assessor's
27 exercise of "discretion," and ordered the assessor to put the properties on the tax rolls at 100% of
28 value.

1 *Ridgefield Park* was again an action by taxpayers against taxing authorities alleging their
2 discriminatory failure to perform their statutory duties. Taxing authorities argued for dismissal
3 on the grounds that taxpayers had failed to exhaust their administrative remedies. The court
4 rejected the exhaustion argument and granted taxpayers relief but only prospectively, finding that
5 "retroactive reassessments of all property would entail disorder hurtful to the public interest."
6 157 A.2d at 832.

7 The cases cited by the SBOE support the authority of the **courts** to order the assessor or
8 other taxing agency or entity to comply with the law. There is no need, however, to go beyond
9 the Nevada Supreme Court decisions to make that point. The cases cited by the SBOE provide no
10 support for the SBOE contention either that it has the statutory authority to order mass
11 reappraisals or that an order for such reappraisals going back 8-10 years is a "reasonable" remedy
12 under any definition of reasonable.

13 The SBOE uses the terms "discretion" and "discretionary" repeatedly in its response to the
14 taxpayers' Objections to its equalization decision. The SBOE apparently believes that, because
15 mandamus does not lie to compel the exercise of discretion, invoking "discretion" will shield it
16 from any actual review by the court of the merits of its equalization decision. Mandamus
17 notwithstanding, however, no agency created by statute has the "discretion" to exceed its statutory
18 jurisdiction. No agency of government, however created, has the "discretion" to violate the
19 Nevada or U.S. Constitutions.

20 **VI. RATIO STUDIES AS AUTHORIZED BY NRS 361.333 ARE NOT PART OF THE**
21 **SBOE'S STATUTORY DUTY OF STATEWIDE EQUALIZATION.**

22 In 1967, the Nevada Legislature enacted NRS 361.333 authorizing the Department to
23 conduct ratio studies to assure that county assessors valued all taxable property and that property
24 was valued throughout the state at between 32% and 36% of its actual taxable value. When it
25 enacted NRS 361.333, the Legislature made no change in NRS 361.395 which establishes the
26 SBOE's duty of annual statewide equalization. NRS 361.333 has been amended by seven
27 subsequent Legislatures, including twice reducing the number of counties in which ratio studies
28 were to be performed in any one year, first to provide that 9 counties would be done one year

with 8 counties in the second year and then, a second time, to provide for three groups of counties, with ratio studies performed in one group each year. Obviously, when the Legislature reduced the number of counties subject to the ratio study in any one year, it did not intend for ratio studies as a substitute for the SBOE's **annual statewide** equalization duty. It is impossible to equalize statewide on an annual basis by doing only one-third of the state every year.

With the 1981 Tax Shift when the market value system was replaced with a taxable value system, NRS 361.333 was again amended to substitute "taxable value" where the statute had previously stated "market value." No matter what changes were made in NRS 361.333, however, there was no significant change in NRS 361.395. The SBOE's statutory duty of annual statewide equalization is the same today as it was before NRS 361.333 was enacted.

Under NRS 361.333, ratio studies are conducted by the Department of Taxation on approximately one-third of Nevada's counties every year. The results are provided to the county assessors and boards of county commissioners. The county assessor and board of county commissioners or their representatives subsequently meet with the Tax Commission to review the results. At the conclusion of the review, the Tax Commission may (1) do nothing, (2) order a specific percentage increase or decrease in valuation of one or more classes of property, or (3) order the county commission to employ an appraiser selected by the Department of Taxation to review the county assessor's work. Significantly, the ratio study statute provides

- (1) **NO** authority for reappraisals,
- (2) **NO** authority for ratio studies of a geographic portion of a county, and
- (3) **NO** role whatsoever for the State Board of Equalization.

In the circumstances where a county commission is required to employ an independent appraiser, that appraiser only **reviews** the assessor's work. No reappraisals are performed even by the independent appraiser. Ratio studies are limited to classes or types of property **within the county**. The SBOE is not even mentioned anywhere in the statutes or regulations dealing with ratio studies.

In its response to taxpayer Objections, the SBOE extols the virtues of the ratio study, quoting in bold a statement from a 1960 report to the effect that a ratio study is the best way to

1 determine inequities in the assessment process. *SBOE Response*, p. 6, lns. 8-9. The SBOE
2 further quotes the Nevada Assembly Committee on Taxation in 1975, opining that, in performing
3 ratio studies, the Department acted as a "watch dog" over the counties to assure that property was
4 assessed properly. *Id.*, p. 7, lns. 19-24. The SBOE fails to note, however, that, prior to 1980,
5 Nevada's property tax system was based on market value and that, in a market value system, a
6 ratio study actually provides an objective standard against which to measure assessor
7 performance. In a market value system, a ratio study compares the assessor's appraised values
8 with actual sales. In 1981, when Nevada changed to the current "taxable" value system, however,
9 that objective standard was gone.

10 After the 1981 shift to "taxable value," instead of comparing an assessor's valuation with
11 market value, the ratio study compared the assessor's valuation with the Department of Taxation
12 appraiser's valuation – one subjective valuation against another. A few years ago, the
13 undersigned counsel had occasion to review the Department work papers underlying its ratio
14 studies. At that time, the Department appraiser simply used the assessor's land valuation and did
15 an independent valuation only on the improvement portion of residential property. Under those
16 circumstances, the Department is not much of a "watch dog."

17 Instead of a class or type of property throughout Washoe County, the February 2013
18 equalization decision directs the Department of Taxation to perform a ratio study only on the
19 properties reappraised by the Assessor. No ratio study is ordered to be performed on the same
20 class of property elsewhere in Washoe County or on comparable Tahoe property in Douglas
21 County, notwithstanding the specific allegation of a lack of equalization between Tahoe
22 properties in Washoe County and those in Douglas County.

23 Furthermore, even though the premise for the use of unauthorized, unconstitutional
24 methodologies by the Washoe County Assessor for the valuation of Incline Village/Crystal Bay
25 properties in this time period was the absence of sufficient vacant land sales to permit a
26 comparable sales analysis, the February 2013 equalization decision specifies that the Assessor is
27 to provide the Department with "all" sales from Incline Village/Crystal Bay for the applicable
28 period of time. It is not clear what kind of analysis the Department intends to make. In any

1 event, since the ratio study is a statistical analysis, the potential for manipulation of the data is
2 obvious. Certainly given the history between Incline Village/Crystal Bay taxpayers and the
3 Department of Taxation, any Department ratio study would not likely be unbiased.

4 NRS 361.333 contains no reference to the SBOE. NRS 361.395 says nothing about level
5 of assessment. The two statutes address different equalization issues. The focus of NRS 361.333
6 and the ratio studies under that statute is level of assessment.⁴ The ratio studies performed under
7 NRS 361.333 are incapable of addressing issues of unauthorized and unconstitutional valuation
8 methodologies or any other valuation issue. Those valuation issues are the focus of the SBOE in
9 the exercise of its duty of annual statewide equalization. The SBOE's initial unanimous decision
10 here was to reset the Assessor's void valuations to their last constitutional value level. That
11 decision was consistent with both the SBOE's duty and its historical practice.

12 VII. THE DOCTRINE OF JUDICIAL ESTOPPEL IS INAPPLICABLE.

13 Taxpayers object to the SBOE's reliance on portions of the 2010 equalization regulations
14 on the grounds that (1) those regulations do not provide for hearing and determining equalization
15 grievances, (2) the Department/SBOE have cherry-picked the provisions from the regulations that
16 they would have "apply," and (3) application of the regulations is prohibitively retroactive. The
17 SBOE argues that taxpayers are "judicially estopped" from objecting to the selective and
18 retroactive application of the 2010 regulations to the 2003-2004, 2004-2005 and 2005-2006 tax
19 years because they objected to the absence of valuation regulations in the *Bakst* and *Barta* cases.
20 The SBOE's argument makes no sense. The taxpayers in *Barta* argued exactly as they argue here
21 that the subsequently enacted regulations could not lawfully be applied retroactively. There is no
22 conflict between those two positions.

23 Even absent the retroactivity argument, there is no conflict between the positions taken by
24 taxpayers in the *Bakst* and *Barta* cases and this case. In *Bakst* and *Barta*, taxpayers argued that

26 ⁴ Until the 2010 Department-drafted "equalization" regulations, the SBOE paid no
27 attention whatsoever to "level of assessment." Even under those regulations, "level of assessment"
28 is just a device for delegating the responsibility for equalization to the Department and put it
beyond the reach of the taxpayer or the courts. The validity of the 2010 regulations, however, is
not before the court in this matter.

1 valuation methods that were used only at Incline Village in Washoe County violated the
2 constitutional requirement of uniformity. Both the District Court and the Supreme Court agreed.
3 In the present case, the SBOE applied selected portions of its 2010 equalization regulations only
4 to Incline Village/Crystal Bay. Any such application similarly violates the constitutional
5 requirement of uniformity.

6 The "judicial estoppel" cases cited by the SBOE have no application because taxpayers
7 have not taken inconsistent positions, an absolute prerequisite to any such estoppel. In a curious
8 footnote to its "judicial estoppel" argument, the SBOE also argues that "the Legislature did not
9 contemplate that the current Board would equalize statewide." *SBOE Response*, p. 14, fn. 12.
10 The SBOE has some secret knowledge of the Legislature's intent not reflected in the plain
11 language of NRS 361.395 which has provided, unchanged since its initial adoption, that the
12 SBOE "shall. . . Equalize property valuations in the State." Whatever secret knowledge the
13 SBOE has is similarly not shared by the Supreme Court which read that statutory language to
14 "clearly" impose a duty upon the SBOE "to equalize property valuations throughout the state."
15 *Barta*, 124 Nev. at 627.

16 **VIII. THE EQUALIZATION ORDER DIRECTS THE ASSESSOR TO PERFORM**
17 **UNCONSTITUTIONAL APPRAISALS USING METHODOLOGIES NOT USED**
18 **ELSEWHERE IN THE STATE IN THE SAME TAX YEAR.**

19 The Equalization Order directs the Assessor to reappraise Incline Village/Crystal Bay
20 properties using regulations that had not yet been adopted at the time of the original
21 unconstitutional appraisals. The Equalization Order also directs annual reappraisals for the three
22 tax years in issue although initially only one appraisal was done with the values for the
23 subsequent two years calculated using the land factor approved by the Tax Commission. As a
24 result, rather than effecting either uniformity or constitutional valuations, the Equalization Order
25 merely introduces new grounds of non-uniformity and constitutional violation. Even assuming
26 that the SBOE has the statutory jurisdiction to order the mass reappraisal of property, it cannot
27 order unconstitutional reappraisals.

28 In *Bakst*, the Supreme Court set aside as unconstitutional and void property valuations at
Incline Village/Crystal Bay for the 2003-2004 tax year because they were based on

1 methodologies not used elsewhere in Washoe County or the state. The Equalization Order directs
2 the Assessor to revalue those properties again using methodologies that were not used elsewhere
3 in the state because they had not yet been adopted when the 2003-2004 valuations were done.
4 Similarly, the Equalization Order directs the Assessor to reappraise Incline Village/Crystal Bay
5 annually and ignore the factor while the rest of Washoe County during this time period is
6 appraised every five years and factored in the interim years. The Equalization Order requires the
7 Washoe County Assessor to ignore not only his own established practices but the Tax
8 Commission approved factor as well.

9 In its response, the SBOE sidesteps the taxpayers' argument and asserts that the valuation
10 methods established by the revised regulations were "applied to the rest of the state." That
11 otherwise true statement omits the salient fact that those methods were not applied to the rest of
12 the state in the tax years in question. While arguing that the same valuation regulations will be
13 applied to Incline Village and Crystal Bay properties as to similarly situated properties throughout
14 the state, the SBOE simply fail to acknowledge that the regulations are applied in different years.
15 *SBOE Response*, p. 15, lns. 17-19. The taxable value for the 2003-2004 tax year for properties
16 throughout the State of Nevada, was determined in 2002 using (or not using as the case was at
17 Incline Village/Crystal Bay) the regulations in place at that time. If Incline Village/Crystal Bay
18 properties are now to be reappraised for the 2003-2004 tax year using the temporary regulations
19 in effect in 2003 as set forth in the Equalization Order, they will undeniably be valued differently
20 for the 2003-2004 tax year than all other properties in Nevada.

21 The provision of the Equalization Order directing the Assessor to use current year
22 regulations rather than the regulations in place at the time of the original appraisals brings up
23 another anomaly of the process followed by the SBOE. The SBOE did not make the decision to
24 apply the new regulations to the reappraisal process. Member Marnell's motion was specifically
25 to reappraise "removing the unconstitutional methods and using the methods that were approved
26 at the time." *Transcript, Dec. 3*, pp. 73-74. Member Marnell made it clear that he was proposing
27 reappraisal as of the time of the original appraisals and not the use of subsequently adopted
28 regulations because he expressed a concern that the Assessor might not be able to do the proposed

1 reappraisal inasmuch as "their systems have evolved to the new regulations and laws." *Id.* The
2 Department, however, writes and issues the "decision" made by the SBOE. The SBOE itself
3 never approves the written decision. In fact, the individual members of the SBOE may never
4 even have seen the decision which is under review in this case. Although the SBOE's own rules
5 require the Department to serve the written decision on SBOE members (*NAC 361.747(5)*), there
6 is no indication here that such service was effected. In any event, even SBOE rules do not require
7 that SBOE members review, approve or even see the written decision before it is issued by the
8 Department. To the extent that the February 2013 Equalization Order as written reflect decisions
9 never actually made or approved by the SBOE, it is necessarily void and unenforceable.

10 **IX. TAXPAYER PROPERTY OWNERS ARE ENTITLED TO THE SAME**
11 **DUE PROCESS RIGHTS ON REAPPRAISALS AS INITIAL APPRAISALS.**

12 The SBOE argues that the opportunity to appear and testify before the SBOE when the
13 Assessor "reports" on his reappraisal efforts and individual notice of any proposed increase from
14 the existing valuation afford the Incline Village/Crystal Bay taxpayer all the due process he or she
15 is entitled to. *SBOE Response*, pp. 16-17. The SBOE misapprehends the nature of its own order.
16 The Assessor is ordered to reappraise properties on the grounds that the previous appraisal
17 resulted in unconstitutional valuations. Those unconstitutional valuations cannot be treated as
18 baselines with taxpayers afforded due process only if the reappraised value exceeds the prior,
19 unconstitutional value. Unconstitutional valuations are, as a matter of law, void and of no effect
20 whatsoever. If the SBOE has the jurisdiction to order reappraisals, those reappraisals are *de novo*
21 and taxpayers are entitled to the same due process rights as they have with initial appraisals.

22 The Assessor is ordered to reappraise approximately 8700 properties at Incline
23 Village/Crystal Bay for each of three years. Under ordinary circumstances, property owner
24 taxpayers would receive notice of the valuation, have a month or more to investigate the bases for
25 valuation including the ability to speak with the appraiser from the Assessor's Office and right to
26 obtain a copy of the Assessor's appraisal (*NRS 361.227(8)*), a hearing before the County Board of
27 Equalization, and, if necessary, a further hearing before the State Board of Equalization. The
28 Legislature has set the standard of due process for a taxpayer's challenge to an assessor's

valuation. That standard is not met by the opportunity to "testify" for a few minutes before the SBOE after the Washoe County Assessor has "reported" on more than 25,000 appraisals. That standard is equally not met by a "hearing" before the SBOE if the Assessor's valuation is greater than the previous unconstitutional, void valuation. The validity of the reappraisal must be determined on its own terms and not in relation to an admittedly void valuation.

X. MEMBER JOHNSON IS NOT "VERSED IN THE VALUATION OF CENTRALLY ASSESSED PROPERTIES" AND HIS IMPROPER APPOINTMENT TO THE SBOE INVALIDATES ITS DECISION.

Taxpayers object to the February 8, 2013 decision of the SBOE on the grounds, *inter alia*, that the Board was improperly constituted in violation of NRS 361.375. The SBOE responds with two arguments: (1) the make-up of the Board should be disregarded because taxpayers failed to cite "any authority" for their argument; and (2) the most recent appointment to the Board, although a second fee appraiser, is "versed in the valuation of centrally assessed properties." Both arguments must be rejected.

The "authority" for the taxpayers' position is the statute itself. NRS 361.375 expressly states that one property appraiser will be appointed to the Board. The Supreme Court has reiterated that the statute means what it says. In *Marvin v. Fitch*, 126 Nev. Adv. Op. No. 18, 232 P.3d 425 (2010), the Court wrote:

The Legislature has attempted to protect the State Board members from the influence of political forces by creating **strict** membership qualifications. * * *The State Board's membership must consist of one certified public accountant, **one property appraiser**, one member "versed in the valuation of centrally assessed properties," and two members "versed in business generally." * * *We determine that the structure of the State Board's membership adequately shields its collective membership from political influence and allows them to function as neutral adjudicators. 232 P.3rd at 432. (Emphasis added.)

Although the statute itself constitutes all the "authority" necessary for enforcement, there is further authority in the historical experience of the SBOE. In all the time since NRS 361.375 was amended to provide for specific specialized appointments, no fee appraiser has even been appointed to the seat reserved for a person "versed in the valuation of centrally assessed properties." Mr. Johnson's immediate predecessor, Russ Hofland, had been an accounting

1 supervisor for the Barrick Gold mining company, "dealing with capital, royalties, net proceeds
2 and property taxes." Mining companies are centrally assessed. Mr. Hofland's predecessor,
3 Clayton Fitch, was employed with the Wells Rural Electric Company, of which he is now the
4 Chief Executive Officer.

5 The SBOE also argues that Member Johnson is "versed in the valuation of centrally
6 assessed property" because he "has experience in the appraisal of centrally assessed properties."
7 *SBOE Response*, p. 21, lns. 11-12. As an MAI appraiser, Mr. Johnson would be expected to have
8 experience in the appraisal of easement or fee interests in real property owned or to be acquired
9 by utility companies. The court, however, should not confuse the "appraisal" of interests in land
10 owned by a utility company with the "valuation" of centrally assessed properties for ad valorem
11 tax purposes. One of the centrally assessed companies that Mr. Johnson says he has worked for
12 is the Paiute Pipeline Company. *SBOE Response*, Exhibit 4. Attached as Exhibit 3 to this reply
13 is a copy of the first ten pages of an easement appraisal done by Mr. Johnson with his father,
14 Stephen Johnson, for the Paiute Pipeline Company. This easement appraisal is undoubtedly
15 typical of the work done by Mr. Johnson for utility companies and other centrally assessed
16 companies. By way of comparison, attached as Exhibits 4, 5, and 6 are copies of the instructions
17 and the annual report and mileage forms that pipeline companies are required by NRS 361.318 to
18 file with the Department of Taxation so that the Tax Commission may determine the value of
19 pipeline property under NRS 361.320. Only one page of the 16-page annual report deals with the
20 value of land interests owned by the pipeline company.

21 Member Johnson may be "versed" in the appraisal of utility easements. He is not "versed"
22 in the "valuation of centrally assessed properties." NRS 361.375 does not specify the
23 appointment of a person to the SBOE who is familiar with some aspect of centrally assessed
24 property valuation. It specifies and requires a person "versed in the valuation of centrally
25 assessed properties." The Tax Commission, rather than County Boards of Equalization, makes
26 the initial determination of the value of centrally assessed properties for property tax purposes.
27 *NRS 361.315 – 361.323*. The SBOE hears and determines appeals from those Tax Commission
28 valuations. *NRS 361.403*. The Legislature has determined that the SBOE needs a member who is

"versed in the valuation of centrally assessed properties." Mr. Johnson does not have the requisite qualifications.

The SBOE argues that a Board member can meet more than one qualification. Accordingly, Mr. Johnson can be both a fee appraiser and "versed in the valuation of centrally assessed properties." Using that approach, the Governor could appoint fee appraisers to the two statutory Board positions reserved for individuals who are "versed in business generally" and, if he could find an appraiser who was also a CPA, to the final Board position as well. Having four, five, or even two appraisers on the Board was clearly not the intent of the Legislature in specifying different qualifications for Board members. *See also, Marvin v. Fitch, supra.*

Mr. Johnson's appointment to the SBOE raises other questions as well. He was not on the Board at the time of the first hearing in this equalization matter and never heard the presentation made by taxpayers. Furthermore, his father, Steven Johnson, was a member of the Board which made the decisions in *Bakst* and *Barta* whose reversal by the District Court was affirmed by the Supreme Court **and** the decision in *Village League* which was directly reversed by the Supreme Court. Johnson the son was the only member of the current Board to raise the issue of whether values as determined by the assessor exceeded the market value of the property, an issue on which the Board based its anti-taxpayer decision in the *Barta* case and which was expressly rejected by the Supreme Court in its *Barta* decision. The Court wrote:

In making its determinations in these cases, the State Board focused on only one consideration in determining whether the Taxpayers' property values were unjust and inequitable: whether taxable value exceeded full cash value. * * * Nevada's Constitution guarantees 'a uniform and equal rate of assessment and taxation.' That guarantee of equality should be the boards of equalization's predominant concern, and that concern is not satisfied by merely ensuring that a property's taxable value does not exceed its full cash value. 124 Nev. at 625, 626.

Johnson the son was also the member of the current Board who twice made the motion to have the SBOE, without any authority in the statutes, order the Department to conduct a ratio study which, in combination with the order for mass reappraisal, would allow the SBOE to effectively override the *Bakst* and *Barta* decisions.

///

1 **XI. CONCLUSION**

2 Taxpayer-petitioners respectfully submit that their Objections to the SBOE's February
3 2013 "Equalization Order" are supported by the facts and the law and must be sustained by this
4 Court.

5 Dated this 6th day of May, 2013.

6 SNELL & WILMER L.L.P.

7
8 By: Suellen Fulstone
9 Suellen Fulstone, No. 1615
10 50 West Liberty Street, Suite 510
11 Reno, Nevada 89501
12 Attorneys for Petitioners

13 **AFFIRMATION**

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

16 Dated this 6th day of May, 2013.

17 Suellen Fulstone
18 Suellen Fulstone, No. 1615
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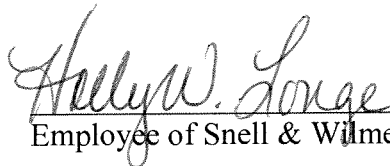
CERTIFICATE OF SERVICE

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 6th day of May, 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.	2010 Equalization Regulations of the State Board of Equalization	14
2.	Notice of September 18, 2012 Equalization Hearing	3
3.	First ten pages of Easement Appraisal performed by Stephen Johnson and Ben Johnson	11
4.	Nevada Department of Taxation Centrally-Assessed Properties Annual Report Instructions	3
5.	Nevada Department of Taxation Tax Year 2014-2015 form Annual Report for Centrally-Assessed Property Taxpayers	15
6.	State of Nevada Department of Taxation Schedule B, Gas and Pipeline Operating Mileage	20

EXHIBIT 1

FILED
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Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

EXHIBIT 1

VL0030

**ADOPTED REGULATION OF THE
STATE BOARD OF EQUALIZATION**

LCB File No. R153-09

§§2, 8, 10 and 23 effective April 20, 2010
§§1, 3 to 7, inclusive, 9 and 11 to 22, inclusive, effective October 1, 2010

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

AUTHORITY: §§1-23, NRS 361.375 and 361.395.

A REGULATION relating to taxation; establishing procedures for the equalization of property valuations by the State Board of Equalization; 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 21, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 21, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“County board” means a county board of equalization.*

Sec. 4. *“Equalize 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.*

Sec. 5. *“Interested person” means an owner of any relevant property, as indicated in the records of the county assessor of the county in which the property is located or, if the Commission establishes the valuation of the property, as indicated in the records of the Department.*

Sec. 6. *“Ratio study” means an evaluation of the quality and level of assessment of a class or group of properties in a county which compares the assessed valuation established by the county assessor for a sampling of those properties to:*

1. An estimate of the taxable value of the property by the Department or an independent appraiser; or

2. The sales price of the property,

↪ as appropriate.

Sec. 7. *“Secretary” means the Secretary of the State Board.*

Sec. 8. *“State Board” means the State Board of Equalization.*

Sec. 9. *The provisions of sections 2 to 21, inclusive, of this regulation govern the practice and procedure for proceedings before the State Board to carry out the provisions of NRS 361.395.*

Sec. 10. 1. *The State Board hereby adopts by reference the Standard on Ratio Studies, July 2007 edition, published by the International Association of Assessing Officers. The Standard on Ratio Studies may be obtained from the International Association of Assessing Officers, 314 West 10th Street, Kansas City, Missouri 64105-1616, or on the Internet at <http://www.iaao.org/store>, for the price of \$10.*

2. If the publication adopted by reference in subsection 1 is revised, the State Board will review the revision to determine its suitability for this State. If the State Board determines that the revision is not suitable for this State, the State Board will hold a public hearing to review its determination and give notice of that hearing within 30 days after the date of the publication of the revision. If, after the hearing, the State Board does not revise its determination, the State Board will give notice that the revision is not suitable for this State

within 30 days after the hearing. If the State Board does not give such notice, the revision becomes part of the publication adopted by reference pursuant to subsection 1.

Sec. 11. *1. During each annual session of the State Board, the State Board will hold one or more hearings to:*

- (a) Review the tax roll of each county, as corrected by the county board;*
- (b) Determine whether the property in this State has been assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law;*
- (c) Determine whether the taxable values specified in the tax roll of any county must be increased or decreased to equalize property valuations in this State; and*
- (d) Take such additional actions as it deems necessary to carry out the provisions of NRS 361.395.*

2. Subject to the time limitations specified in NRS 361.380, the State Board may adjourn its annual session from time to time until it has completed its duties pursuant to NRS 361.395 for the applicable fiscal year.

Sec. 12. *In determining whether the property in this State has been assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law, the State Board will consider:*

- 1. The tax roll of each county, as corrected by the county board and filed with the Secretary pursuant to NRS 361.390;*
- 2. The central assessment roll prepared pursuant to NRS 361.3205;*
- 3. The results of any relevant ratio study conducted by the Department pursuant to NRS 361.333;*

4. *The results of any relevant audit of the work practices of a county assessor performed by the Department pursuant to NRS 361.333 to determine whether a county has adequate procedures to ensure that all property subject to taxation is being assessed in a correct and timely manner;*

5. *Any relevant evidence submitted to a county board or the State Board pursuant to NRS 361.355;*

6. *Any information provided to the State Board pursuant to sections 13, 14 and 15 of this regulation; and*

7. *Any other information the State Board deems relevant.*

Sec. 13. *1. In addition to the information contained in the tax roll filed with the Secretary pursuant to NRS 361.390, a county assessor shall, upon the request of the State Board, provide any information the State Board deems necessary to carry out the provisions of NRS 361.395, including, without limitation:*

(a) The assessor's parcel number for any parcel of property.

(b) The taxable value and assessed value determined for any land, improvements or personal property before and after any adjustments to those values by the county board.

(c) The value per unit determined for any land or personal property before and after any adjustments to that value by the county board.

(d) Land use codes for the county.

(e) Market areas in the county.

(f) The year in which any improvements were built.

(g) The classification of quality for any improvements.

(h) The size of any improvements.

- (i) The size of any lot.*
- (j) The zoning of any property.*
- (k) The date of the most recent sale of any property and the sales price of the property.*
- (l) Summary statistics concerning taxable values and assessed values for tax districts, market areas, neighborhoods and land use codes, including, without limitation, the applicable medians and modes.*

2. If the State Board desires a county assessor to provide any information pursuant to this section, the State Board will require the Department to send to the county assessor by regular mail a notice of the request which describes the information requested and the format and type of media in which the information is requested. The county assessor shall submit the information to the State Board, in the format and type of media requested, within 10 business days after the date of the postmark on the notice of the request or such a longer period as the State Board, upon the request of the county assessor, may allow.

Sec. 14. *1. Upon the request of the State Board, the Department or county assessor shall perform and submit to the State Board any ratio study or other statistical analysis that the State Board deems appropriate to assist it in determining the quality and level of assessment of any class or group of properties in a county.*

2. Each ratio study or other statistical analysis requested by the State Board pursuant to this section must:

- (a) Be performed in accordance with the provisions of the Standard on Ratio Studies adopted by reference in section 10 of this regulation, except any specific provision of the Standard on Ratio Studies that conflicts or is inconsistent with the laws of this State or any regulations adopted by the State Board or the Commission;*

(b) Identify the statistical population that is the subject of the ratio study or statistical analysis, which may be divided into two or more strata according to neighborhood, age, type of construction or any other appropriate criterion or set of criteria; and

(c) Include an adequate sampling of each stratum into which the statistical population that is the subject of the ratio study or statistical analysis is divided, and such statistical criteria as may be required, to indicate an accurate ratio of assessed value to taxable value and an accurate measure of equality in assessment.

3. The State Board will determine the appropriate time frame from which sales of property may be considered in any ratio study or statistical analysis requested pursuant to this section. If the State Board determines that the appropriate time frame is any period other than the 36 months immediately preceding July 1 of the year before the applicable lien date, the State Board will provide the reasons for that determination to the Department or county assessor.

4. The State Board will evaluate each ratio study and statistical analysis performed pursuant to this section to determine whether the ratio study or statistical analysis reliably indicates the quality and level of assessment for the applicable class or group of properties. In making that determination, the State Board will consider:

(a) Whether the Department or county assessor used a sufficient number of sales or appraisals in performing the ratio study or statistical analysis;

(b) Whether the samples of property selected by the Department or county assessor adequately represent the total makeup of the applicable class or group of properties;

(c) Whether the Department or county assessor correctly adjusted the samples of property for market conditions;

(d) Whether any variations among sales or appraisal ratios affect the reliability of the ratio study or statistical analysis; and

(e) Any other matters the State Board deems relevant.

Sec. 15. *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, the State Board will require the Department to:*

1. Conduct a systematic investigation and evaluation of the procedures and operations of the county assessor; and

2. Report to the State Board its findings concerning whether the county assessor has appraised the property in the county in accordance with the methods of valuation prescribed by statute and the regulations of the Commission.

Sec. 16. *1. If the State Board, after considering the information described in section 12 of this regulation, makes a preliminary finding that any class or group of properties in this State was not assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law, the State Board will:*

(a) Schedule a hearing concerning that preliminary finding on a date which is not less than 10 business days after the notice of the hearing is mailed pursuant to paragraph (b).

(b) Require the Department to send by registered or certified mail a notice of the hearing to the county clerk, county assessor, district attorney and chair of the county board of each county in which any of the property is located. A legal representative of the county may waive the receipt of such notice.

(c) Require the Secretary to provide a copy of the notice of the hearing to the Commission and to the board of county commissioners of each county in which any of the property is located.

2. The notice of the hearing must state:

(a) The date, time and location of the hearing;

(b) The information on which the State Board relied to make its preliminary finding that the class or group of properties was not assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law; and

(c) The proposed order of the State Board.

3. The Department shall include with each notice provided pursuant to paragraph (b) of subsection 1, and upon the request of any interested person, provide to that person, a copy of any analysis or other information considered by the State Board in making its preliminary finding that the class or group of properties was not assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law.

Sec. 17. 1. *Upon the completion of a hearing scheduled pursuant to section 16 of this regulation, the State Board will issue:*

(a) An order stating that the State Board will take no action on the matter and specifying the reasons that no action will be taken;

(b) An order referring the matter to the Commission for the Commission to take such action within its jurisdiction as the Commission deems to be appropriate;

(c) An order requiring the reappraisal by the county assessor of a class or group of properties in a county; or

(d) Except as otherwise provided in this paragraph, if a ratio study or other statistical analysis performed pursuant to NRS 361.333 or section 14 of this regulation indicates with a confidence level of at least 95 percent that the median assessment ratio for any class or group of properties is less than 32 percent or more than 36 percent, an order increasing or decreasing the assessed valuation of that class or group of properties by such a factor as the State Board deems to be appropriate to cause the median assessment ratio to be not less than 32 percent and not more than 36 percent. The State Board will not issue such an order if the application of the factor would cause the coefficient of dispersion calculated for the class or group of properties to fail to meet the recommendations set forth in the Standard on Ratio Studies adopted by reference in section 10 of this regulation.

2. If the State Board orders the reappraisal of a class or group of properties pursuant to this section, the State Board will:

(a) Schedule an additional hearing to determine whether to issue an order:

(1) Stating that the State Board will take no further action on the matter and specifying the reasons that no further action will be taken;

(2) Referring the matter to the Commission for the Commission to take such action within its jurisdiction as the Commission deems to be appropriate; or

(3) Increasing or decreasing the taxable valuation of the class or group of properties in accordance with the reappraisal or in such other manner as the State Board deems appropriate to equalize property valuations.

(b) Require the Department to send by registered or certified mail, not less than 10 business days before the date of the additional hearing, notice of the date, time and location of the hearing to the county clerk, county assessor, district attorney and chair of the county

board of the county in which the property is located. A legal representative of the county may waive the receipt of such notice.

(c) Require the Secretary to notify the Commission and the board of county commissioners of the county in which the property is located, of the date, time and location of the hearing.

3. Each order issued pursuant to this section must include a statement of any pertinent findings of fact made by the State Board. If the State Board issues an order pursuant to this section:

(a) Requiring the reappraisal of a class or group of properties, the order must specify:

(1) The class or group of properties affected;

(2) The purpose and objectives of the reappraisal; and

(3) The procedures required for the reappraisal, including the particular methods of appraisal prescribed by the regulations of the Commission.

(b) Increasing or decreasing the valuation of any class or group of properties, the order must specify:

(1) The class or group of properties affected; and

(2) The amount of or the formula to be used to calculate the amount of that increase or decrease.

4. Upon the issuance of any order pursuant to this section:

(a) The Department shall send a copy of the order:

(1) By certified mail to the county assessor of each affected county; and

(2) By regular mail to the county clerk and chair of the county board of each affected county; and

(b) The Secretary shall provide:

(1) A copy of the order to the Commission; and

(2) Any certification and notice required to carry out the provisions of NRS 361.405.

5. As used in this section, "assessment ratio" means the ratio of assessed value to taxable value.

Sec. 18. *1. The State Board will require the Department to place on the Internet website maintained by the Department, not less than 10 business days before the date of each hearing scheduled pursuant to section 16 or 17 of this regulation, a copy of the notice of the hearing and of the agenda for the meeting at which the State Board will conduct the hearing.*

2. If the State Board proposes to issue an order increasing the valuation of any class or group of properties at any hearing scheduled pursuant to section 16 or 17 of this regulation, the State Board will require the Department to provide to each interested person the notice of the hearing required by subsection 2 of NRS 361.395. If the notice is not provided to an interested person by personal service and the mailing address of that person is not available, the Department must send the notice of the hearing by registered or certified mail to the address of the relevant property or, if the interested person has designated a resident agent pursuant to chapter 77 of NRS, the address of that resident agent as it appears in the records of the Secretary of State. For the purposes of subsection 2 of NRS 361.395, the State Board construes the term "interested person" to have the meaning ascribed to it in section 5 of this regulation.

Sec. 19. *1. The following persons shall appear at each hearing scheduled pursuant to section 16 or 17 of this regulation:*

(a) The county assessor of each county in which any of the property that is the subject of the hearing is located or a representative of the county assessor.

(b) A representative of the county board of each county in which any of the property that is the subject of the hearing is located.

2. At each hearing scheduled pursuant to section 16 or 17 of this regulation:

(a) The State Board will receive testimony under oath from interested persons.

(b) The county assessor or his or her representative, the representative of the county board and a representative of the board of county commissioners of each county in which any of the property that is the subject of the hearing is located may:

(1) Provide additional information and analysis in support of or in opposition to any proposed order of the State Board; and

(2) Show cause why the State Board should not increase or decrease the valuation, or require a reappraisal, of the pertinent class or group of properties in the county.

3. A hearing scheduled pursuant to section 16 or 17 of this regulation may be held by means of a video teleconference between two or more locations if the video technology used at the hearing provides the persons present at each location with the ability to hear and communicate with the persons present at each other location.

4. The presiding member of the State Board may exclude any disruptive person from the hearing room.

Sec. 20. *If the State Board orders any increase or decrease in the valuation of any property in a county pursuant to section 17 of this regulation:*

1. The county assessor of the county shall, on or before June 30 immediately following the issuance of the order or such a later date as the State Board may require, file with the Department the assessment roll for the county, as adjusted to carry out that order; and

2. The Department shall, on or before August 1 immediately following the issuance of the order or such a later date as the State Board may require:

(a) Audit the records of the county assessor of the county to the extent necessary to determine whether that order has been carried out; and

(b) Report to the State Board its findings concerning whether the county assessor has carried out that order.

Sec. 21. *The State Board may reconsider any order issued pursuant to section 17 of this regulation in the manner provided in NAC 361.7475, except that:*

1. A petition for reconsideration must be filed with the Secretary within 5 business days after the date on which the order was mailed to the petitioner; and

2. If the State Board takes no action on the petition within 10 business days after the date the petition was filed with the Secretary, the petition shall be deemed to be denied.

Sec. 22. NAC 361.682 is hereby amended to read as follows:

361.682 1. The provisions of NAC 361.682 to 361.753, inclusive:

(a) Govern the practice and procedure in contested cases before the State Board.

(b) *Except where inconsistent with the provisions of sections 2 to 21, inclusive, of this regulation, apply to proceedings before the State Board to carry out the provisions of NRS 361.395.*

(c) Will be liberally construed to secure the just, speedy and economical determination of all issues presented to the State Board.

2. In special cases, where good cause appears, not contrary to statute, deviation from these rules, if stipulated to by all parties of record, will be permitted.

Sec. 23. 1. This section and sections 2, 8 and 10 of this regulation become effective on April 20, 2010.

2. Sections 1, 3 to 7, inclusive, 9 and 11 to 22, inclusive, of this regulation become effective on October 1, 2010.

EXHIBIT 2

FILED
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05-06-2013:06:36:53 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

EXHIBIT 2

VL0045



BRIAN SANDOVAL
Governor

**STATE OF NEVADA
STATE BOARD OF EQUALIZATION**

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

**CHRISTOPHER G.
NIELSEN**
Secretary

NOTICE OF EQUALIZATION HEARING

August 28, 2012

CERTIFIED: 7009 2250 0004 3574 5146
SUEELLEN FULSTONE
SNELL AND WILMER
6100 NEIL ROAD #555
RENO, NV 89511

Date and Time: September 18, 2012, 1:00 p.m.

Location: Carson City State Legislative Building
401 South Carson Street, Room 3137
Carson City, Nevada

Video-Conferencing will also be available to the following Locations:

Legislative Counsel Bureau
Grant Sawyer State Office Building
Room 4412E
555 E. Washington Avenue
Las Vegas, Nevada

In addition, the Department is currently waiting confirmation of video-conferencing locations in Elko, Winnemucca, Ely, Pahrump, Caliente, Eureka, Battle Mountain, and Lovelock. Please call (775) 684-2160 for precise locations.

This meeting will also be available on the internet via the Legislative website at <http://leg.state.nv.us> then select Live meetings and then State Board of Equalization. You may call in your comments by telephone to the meeting. Please call the Department at (775) 684-2160 for the call-in number and reservation to speak.

Legal Authority and Jurisdiction of the State Board of Equalization: Writ of Mandamus dated August 21, 2012 and NRS 361.395, NAC 360.732, and NAC 361.659.

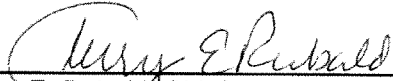
The purpose of the hearing is to hear and determine the grievances of property owner taxpayers regarding the equalization of real property valuations in Nevada for the 2003-2004 tax year through each subsequent tax year to and including 2010-2011; and to raise, lower or leave unchanged the taxable value of any property for the purpose of equalization.

Evidence regarding these matters must be received in Department of Taxation offices no later than 5 p.m., September 13, 2012. Please send your evidence along with a brief or letter explaining your

grievance to the attention of Christopher G. Nielsen, Secretary to the State Board at 1550 College Parkway, Carson City, NV 89706.

Based on the evidence and testimony taken at this hearing, the State Board may request a response from county officials at future hearings before taking any equalization action. You will be notified if additional hearings will be held.

If you have any questions, please call me at 775-684-2095 or Anita Moore at 775-684-2160.


Terry E. Rubald, Chief
Division of Local Government Standards

cc: State Board of Equalization
Christopher G. Nielsen, Department of Taxation Executive Director
Dawn Buoncristiani, Senior Deputy Attorney General
Gina Session, Chief Deputy Attorney General

CERTIFICATE OF SERVICE

I hereby certify on the 28 day of August 2012 I served the foregoing Notice of Equalization Hearing by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

CERTIFIED: 7009 2250 0004 3574 5146

SUEELLEN FULSTONE
SNELL AND WILMER
6100 NEIL ROAD #555
RENO, NV 89511

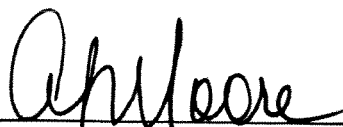
CERTIFIED: 7009 2250 0004 3574 5160

RICHARD GAMMICK
WASHOE COUNTY DISTRICT ATTORNEY
PO BOX 30083
RENO, NV 89520-3083

CERTIFIED: 7009 2250 0004 3574 5153

JOSHUA G WILSON
WASHOE COUNTY ASSESSOR
PO BOX 11130
RENO NV 89520-0027

Copy: State Board of Equalization
Christopher G. Nielsen, Department of Taxation Executive Director
Dawn Buoncristiani, Senior Deputy Attorney General
Gina Session, Chief Deputy Attorney General



Anita L. Moore, Program Officer, Boards and Commissions
State Board of Equalization

EXHIBIT 3

FILED
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Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

EXHIBIT 3

VL0049

JOHNSON-PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

**A Summary Appraisal of a Proposed Acquisition of a Perpetual Easement and
Acquisition of a Proposed Temporary Easement Across Portions Of A**

Vacant Residential Parcel

Located at

**241 Tramway Drive,
Stateline, Douglas County, Nevada**

Owned by

William Cole

Prepared for

Paiute Pipeline Company

**For The Purpose Of
Estimating Just Compensation
As Of
April 16, 2010**

Reno ■ Lake Tahoe

JOHNSON-PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

Main Office: 295 Holcomb Avenue, Suite 1 ■ Reno, Nevada 89502 ■ Telephone (775) 322-1155
Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787
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Daniel B. Oaks, MAI

Karen K. Sanders
Denise Jahn
Benjamin Q. Johnson
Gregory D. Ruzzine
Chad Gerken

May 4, 2010

Ms. Theresa Economy
Paiute Pipeline Company
Post Office Box 1190
Carson City, NV 89702-1190

Dear Ms. Economy:

This is in response to your request for a narrative Summary Appraisal of a proposed Perpetual Easement and acquisition of a Temporary Easement (TE) across portions of the property located at 241 Tramway Drive in Stateline, Douglas County, Nevada. The larger subject property may also be identified as Douglas County Assessor's Parcel Number 1319-19-802-006. The larger subject property contains 9.51± acres of land area and is presently unimproved. The larger subject property is owned by William Cole.

It is our understanding that the proposed Perpetual Easement will allow for the installation and maintenance of one or more underground natural gas pipeline(s) and appurtenances, across, over, under and through the proposed Perpetual Easement acquisition area¹. It is further our understanding that this new easement will be utilized to install a new 12" high pressure Natural Gas Pipeline within the easement area. A portion of the proposed Perpetual Easement area overlaps an existing Perpetual Easement² that allows for only one underground natural gas pipeline. Therefore, a portion of the proposed easement acquisition

¹ A copy of the proposed easement is included in the Addenda to this appraisal.

² Existing Perpetual Easement is to the benefit of Southwest Gas Corporation and is dated May 4, 1964. The document is recorded in the Official Records of Douglas County as Document Number 28590 in Book 32, Page 378 on June 28, 1965

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Page 2

will essentially be the increase in the burden of an existing easement and the remaining portion of the proposed easement acquisition will be a new taking of previously unencumbered land area. This proposed Perpetual Easement is not felt to result in any significant change to the subject property.

In addition to the proposed perpetual easement, Paiute Pipeline Company also plans to acquire a Temporary Easement across portions of the subject property. This Temporary Easement is planned to be for a term of about three months. The Temporary Easement acquisition areas will be used for staging and construction purposes. It is our understanding that Paiute Pipeline Company will not make any changes to the areas encumbered by the proposed temporary easement and at the termination of the Temporary Easement, the property will be returned in an reasonably similar condition as it was in the before condition at the termination of the Temporary Easement.

This report sets forth pertinent data, statistics and other information considered necessary to establish the Market Value of the subject property's fee simple estate before the Acquisition of the proposed Perpetual Easement, the value of the Easement acquisition area as part of the whole property before the acquisition, the Market Value of the remainder as part of the whole property, the Market Value of the remainder parcel after the easement acquisition, and a conclusion as to our recommended Just Compensation due the owner of the subject property as a result of the acquisition of the proposed Perpetual Easement. In addition, we will estimate the Market Rent of the area to be encumbered by the Temporary Easement.

The subject property and the comparable properties analyzed were personally inspected by these appraisers. No one other than the undersigned prepared the analysis, conclusions and opinions concerning the real estate that are set forth in the accompanying appraisal report.

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Page 3

This appraisal report has been completed in conformity with and subject to the requirements of the *Code of Ethics and Standards of Professional Practice* of the Appraisal Institute, and the Guidelines and Recommendations set forth in the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Foundation.

After careful consideration of all data available and upon thorough personal inspection of the subject property and the comparable properties analyzed, we have estimated the Market Value of the subject property and recommended Just Compensation, as of April 16, 2010, as set forth on the following page.

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Page 4

SUMMARY OF VALUE CONCLUSIONS

Assessor's Parcel Number 1319-19-802-006

241 Tramway Drive

Effective Date of Valuation

April 16, 2010

Perpetual Easement Acquisition

Value of the Whole, Before the Easement Acquisition	\$250,000
Value of Perpetual Easement Acquisition (As Part of the Whole)	\$7,600
Value of the Remainder, As Part of the Whole	\$242,400
Value of the Remainder, After the Acquisition	\$242,400
Damages to Remainder	None
Special Benefits to Remainder	None
Value of Perpetual Easement Acquired	\$7,600
Total Just Compensation Recommendation	\$7,600

FINAL JUST COMPENSATION RECOMMENDATION

\$7,600

(As a Result of the Perpetual Easement Acquisition)

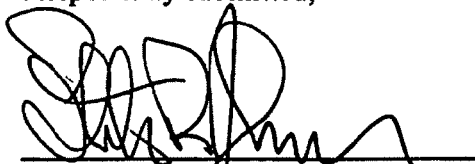
Temporary Easement (TE)

FINAL JUST COMPENSATION RECOMMENDATION

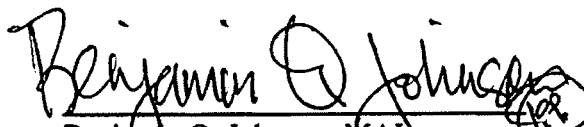
(As a Result of the TE Acquisition)

\$100 Per Month

Respectfully submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG



Benjamin Q. Johnson, MAI
Nevada Certified General Appraiser
License Number A.0205542-CG

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REAL ESTATE APPRAISERS & CONSULTANTS

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Property Location	East side of Tramway Drive in Upper Kingsbury, Stateline, Douglas County, Nevada
Property Address	241 Tramway Drive
Assessor's Parcel Numbers	1319-19-802-006
Owner of Record	William Cole
Zoning	FR-19 (Residential, 19-Acre Minimum Parcel Size)
Total Land Area	9.51± acres
Improvements	None
Highest and Best Use	Hold for Future Development at a Time When Demand Warrants
Type of Report	Summary Appraisal
Interest Appraised	Fee Simple
Date of Completion of Report	May 4, 2010
Date of Valuation	April 16, 2010

JOHNSON-PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

SUMMARY OF VALUE CONCLUSIONS

Assessor's Parcel Number 1319-19-802-006

241 Tramway Drive

Effective Date of Valuation

April 16, 2010

Perpetual Easement Acquisition

Value of the Whole, Before the Easement Acquisition	\$250,000
Value of Perpetual Easement Acquisition (As Part of the Whole)	\$7,600
Value of the Remainder, As Part of the Whole	\$242,400
Value of the Remainder, After the Acquisition	\$242,400
Damages to Remainder	None
Special Benefits to Remainder	None
Value of Perpetual Easement Acquired	\$7,600
Total Just Compensation Recommendation	\$7,600

FINAL JUST COMPENSATION RECOMMENDATION

\$7,600

(As a Result of the Perpetual Easement Acquisition)

Temporary Easement (TE)

FINAL JUST COMPENSATION RECOMMENDATION

(As a Result of the TE Acquisition)

\$100 Per Month

JOHNSON~PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

PURPOSE OF APPRAISAL

The purpose of this appraisal report is to estimate the following:

1. The Market Value of the subject property before the acquisition (the whole);
2. The Market Value of the acquisition (part taken) as part of the whole before the take;
3. The Market Value of the remainder as part of the whole before the take;
4. The Market Value of the remainder after the take;
5. Estimation of Just Compensation resulting from acquisition of the proposed Perpetual Easement; and
6. Estimation of the Market Rent of the Temporary Easement Acquisition Area.

INTENDED USE OF APPRAISAL

This appraisal was prepared to assist Paiute Pipeline Company in establishing the Just Compensation due the owner of the subject property as a result of the acquisition of a Perpetual Easement and the acquisition of a Temporary Easement. This appraisal may also be used as evidence of Market Value in condemnation proceedings.

JOHNSON~PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

SCOPE OF APPRAISAL

The preparation of this appraisal included:

1. Identification, inspection and analysis of the subject property;
2. Identification and analysis of the subject neighborhood;
3. Completion of a Highest and Best Use Analysis for the subject property;
4. Research, inspection and analysis of comparable land sales;
5. Verification of sales data;
6. Completion of a Sales Comparison Approach;
7. Estimation of the unencumbered fee simple Market Value of the subject site before the easement acquisition;
8. Analysis of the easement area to be acquired;
9. Valuation of the easement areas to be acquired as a portion of the whole parcel;
10. Estimation of the Value of the proposed Perpetual Easement;
11. Estimation of any Damages or Special Benefits accruing to the remainder parcel;
12. Estimation of the recommended Just Compensation due the owner of the subject property as a result of the acquisition of the proposed Perpetual Easement;
13. Estimation of the recommended Just Compensation due the owner of the subject property as a result of the Temporary Easement (TE) acquisition; and
14. Preparation of a Summary appraisal report.

STATE OF NEVADA
DEPARTMENT OF TAXATION
DIVISION OF ASSESSMENT STANDARDS - CENTRALLY ASSESSED PROPERTIES
Annual Property Tax Report
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012
Index of Schedules Check List

Company Name: _____
Division: _____

Use this index as a check list of completed schedules

Mark box with check when schedule is complete and include in return mailing

Page	Instruction sheets (No need to return)	
i, ii, iii	Affidavit Cover sheet.	<input type="checkbox"/>
iv	Completed Index of Schedules Check List	<input type="checkbox"/>
1	Industry Asset Listing - System & Nevada Cost Data	<input type="checkbox"/>
2	Summary of Claimed Exemptions	<input type="checkbox"/>
3	Schedule 1 Claim for Exemption - Intangible Personal Property	<input type="checkbox"/>
4	Schedule 2 Claim for Exemption - Nevada Licensed Vehicles	<input type="checkbox"/>
5	Schedule 3 Claim for Exemption - Air Pollution Devices	<input type="checkbox"/>
6	Schedule 4 Claim for Exemption - Water Pollution Devices	<input type="checkbox"/>
7	Schedule 5 System-wide Operating Lease Data HCLD	<input type="checkbox"/>
8	Schedule 6 System-wide Operating Lease Data RCNLD	<input type="checkbox"/>
9	Schedule 7 Nevada-only Operating Lease Data HCLD	<input type="checkbox"/>
10	Schedule 8 Nevada-only Operating Lease Data RCNLD	<input type="checkbox"/>
11	Schedule 9 System-wide Contributions in Aid of Construction	<input type="checkbox"/>
12	Schedule 10 Nevada-only Contributions in Aid of Construction	<input type="checkbox"/>
13	Operating Income Report - System & Nevada Income Data	<input type="checkbox"/>
14	Schedule 11 Historical and Projected Income Data	<input type="checkbox"/>
15	Schedule 12 Nevada-only Operating Property: Land	<input type="checkbox"/>
16	Schedule B Gas and Pipeline Operating Mileage	<input type="checkbox"/>
17	Include <u>all</u> support documents requested in instructions	<input type="checkbox"/>

This check list was completed by: _____

Phone: _____

Date: _____

Please return this completed check list as part of your annual report

EXHIBIT 4

FILED
Electronically
05-06-2013:06:36:53 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

Nevada Department of Taxation Centrally-Assessed Properties Annual Report Instructions

Please comply with all instructions

Authority

NRS 361.320 requires the Nevada Tax Commission to establish the assessed value of any property of an interstate or inter-county nature, including the property of railroad, carline, natural gas transmission and distribution, water, telephone, scheduled and unscheduled air transport, and electric light and power companies. NRS 360.210 grants the Department the original power of appraisal and assessment of all property mentioned in NRS 361.320.

How to Complete the Annual Report and Supporting Schedules

1. **Complete and return all schedules in this packet. Attach all supporting documents for reported information. If additional calculations are needed, please include worksheet.**
2. Enter Taxpayer name at the top of each page in the appropriate space provided.
3. If you need more space than what is available on a schedule, attach additional sheets. Be sure the attached sheets have the same format.
4. If you think a schedule does not apply to you, explain in detail why. You may attach your statement to the schedule telling us why you think it does not apply or why you did not complete the schedule. **N/A is not an acceptable entry.**
5. **Do not enter** "See Federal Report," "See Shareholder Report," "See Attached," or similar statements. The schedules must be completed or a company-generated document with the requested data in the same format must replace it.
6. Should particular accounts have zero balances, enter "0" in the amount column.

7. Type or print your information on these schedules. If you print, please use ink.
8. Put brackets () around negative amounts.
9. Keep a copy of each page for your files.
10. This report form was developed in Microsoft Windows Excel and Microsoft Word and is available to taxpayers in those formats. If you would like to have an electronic copy of the report, please send a 3.5-inch disk requesting the copy or provide an e-mail address. **A signed original hard copy must be returned** to the Department. Forms may also be obtained from the Department's website at www.tax.state.nv.us/doas.
11. **Report only operating property.** Operating property is the real or personal property used in the operation. ***Other property owned but not used in the conduct of the operation (non-operating property) must be reported to the County Assessor.***

****NEW* Special Instructions Operating Mileage – Utilities***

As new tax jurisdictions are created and tax jurisdiction boundaries change, it is necessary to update and maintain Department records regarding your operations within each taxing entity. The Department therefore requests each state-assessed taxpayer to annually review and report operating miles by district. Please contact the County Assessor where your property is located if you have any questions regarding the district changes.

In order to avoid any errors in reporting, only the enclosed forms may be used to report. Company modified forms will not be accepted. Report all district and total mileage to two decimal places only, and please verify the totals.

It is extremely important to county and local government entities that the mileage report be as accurate as possible. Since tax districts are being created as well as eliminated or changed, carefully review your entire mileage statistics in relation to all the districts in every county. Enclosed are the updates from various counties for tax district changes. Should you need to update your county tax district maps to maintain reporting accuracy, please contact the county assessor offices.

Please return the completed mileage forms as a part of the annual report per Nevada Revised Statutes (NRS) 361.320, "Valuation for assessment purposes".

Special Instructions, Reporting Intangible Personal Property (Schedule 1 – Utilities; Schedule 1 – Large National & Regional Airlines)

1. Enter value for each intangible, if applicable, under the cost or income columns. For example, if you have booked organization costs, indicate the general ledger account number, the total booked amount, the booked amount less depreciation, and a brief description. As another example, if you have a contract or a copyright for which contribution to income can be identified, list the contribution to income under the income column and describe.
2. You may attach additional sheets if more space is needed.
3. Attach supporting data, analyses, etc. for intangible value(s) reported.

Special Instructions: Small Charter and Taxi Airline Allocation Data Authority

Allocation is the process of assigning a portion of a unit value or system statistic to a state. (NAC 361.212). Apportionment means the process of assigning a portion of a state value or state or company statistic to geographical areas, usually tax levying districts or codes within the state. (NAC 361.222). NRS 361.320 requires the allocation and apportionment of assessed value to the State and local jurisdictions. The method for allocation of airline value is established in NAC 361.464 and 361.469.

How to Complete Allocation Schedules

Allocation data is often difficult to collect. If the requested information is not available, the Department offers two options for substitute reporting:

- 1.) Report alternative data maintained by the company or to which it has access. Examples may be found on pages 7 and 8.
- 2.) Estimate the requested information to the best of your ability and include details of how the estimates were made.

Failure to report any allocation statistics will require the Department to estimate allocation data for the company. The primary allocation data will be calculated at 100% to Nevada.

A map is attached at the back of the reporting package for your convenience and help in reporting allocation data.

Additional Information You Must File

In addition to the schedules provided, you must include copies of the following information:

- a. Company Annual Shareholder Report.
- b. Parent or subsidiary Annual Shareholder Report.
- c. Annual Securities and Exchange Commission Form 10-K or 10-Q.
- d. Parent or subsidiary annual Securities and Exchange Commission Form 10-K or 10-Q. Consolidating or Bridge body Report.
- e. Annual Federal regulatory Body Report.
- f. Parent of subsidiary annual Federal regulatory body Report.
- g. Capitalized lease detail schedule. (No schedule is provided, please list separately.)
- h. Operating leased or rented property detail.
- i. Elective documentation supporting status of operations.
- j. Ownership allocation details (if not indicated in other documents presented to the Department).
- k. One copy of each applicable ***audited balance sheet*** and ***income statement*** for system and Nevada. Optionally, provide the same for an historic period, i.e., 5 or 10 year side by side comparisons.
- l. For airlines, documentation of certified status of air carrier operations, or indicate if they have previously been submitted and are on file.

The Department may require additional information in order to develop the company valuation and allocation estimates. The Department may perform an audit of this report and appropriate records of the operation.

Please describe any significant changes that have taken place during the period covered by this report such as accounting changes, large acquisitions, disposessions, write-offs or sales of major properties for both the company covered by this report or its parent company.

Certain Substitute Forms Acceptable

Company generated computer print-outs may be substituted for department forms **provided they are the same in all material respects.**

When to File

File all requested information on or before March 31, 2013.

Extension of Time for Filing Statement

The Department for good cause may grant extensions for up to one 45-day period, provided a written request is received prior to March 31 and provided the request contains good cause for the delay in filing.

Your report filing will be delinquent (AND SUBJECT TO PENALTY PER NRS 361.318) if it is not postmarked by March 31 or by the extended date allowed by the department.

Where to File

Mail all report forms and documents to:
Nevada Department of Taxation
Centrally Assessed Property Section
1550 E College Parkway, Suite 115
Carson City, NV 89706

Who to Contact by Phone

Supervisor: Jan Kelley (775) 684-2011
Utility Valuation Analysts:

Richard Ewell (775) 684-2037
Kirk McElhaney (775) 684-2033
Cindy Thomas (775) 684-2028
Stella Yang (775) 684-2006

EXHIBIT 5

FILED
Electronically
05-06-2013:06:36:53 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

EXHIBIT 5

VL0065

NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012

GAS DISTRIBUTION AND PIPELINE INDUSTRY ASSET LISTING - COST INDICATOR DATA

Company:		Division:									
Assets		*** SYSTEM-WIDE VALUES ***					*** NEVADA-ONLY VALUES ***				
(A) Line No.	(B) Title of Account	(C) Acct #	(D) Book Cost Before Depreciation	(E) Depreciation	(F) Book Cost Less Depreciation	(G) Replacement Cost New Less Depreciation	(H) Book Cost Before Depreciation	(I) Depreciation	(J) Book Cost Less Depreciation	(K) Replacement Cost New Less Depreciation	Dept Use Only
1	Plant in Service	101									
2	Plant Purchased, not in service	102									
3	Land Purchased, not in service	102									
4	Experimental Plant	103									
5	Plant Held for Future Use	105									
6	Construction work in progress	107									
7	Plant Acquisition Adjustments	114-116									
8	Miscellaneous Plant	118									
9	Nonregulatory Plant	121									
10	Fuel Stock	151-152									
11	Materials and Supplies	154-156									
12	Stores expense Undistributed	163									
13	CWIP Deferred Debits	186									
14	Common Plant portion										
15	Easements not included in line 1										
16	Operating Leases (Sch 5-8)										
17	Capitalized Leases										
18	Contributed Plant										
19	CIAC (Sch 9 & 10)										
20	Write downs or write offs										
21	Intangible Plant (Sch 1)										
22	Other items related to plant										
23	Other items related to plant										
24	Enter total of lines 1 through 23										
Line 24 may exceed balances reported on federal reports or audited balance sheets supplied by taxpayer.											
Totals											

Totals for Lines 16, 19 and 21 must equal the totals on supporting schedules.
Columns (F) and (I) are optional reporting. If replacement cost new less depreciation is reported, however, supporting documentation must be attached.
Report to the nearest whole dollar amount. Insert commas as necessary. Enter zeroes in all non-value blocks.
Supply all backup documentation for above values reported. Provide audited company financials.

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

SUMMARY OF CLAIMED EXEMPTIONS

Company:	Division:
----------	-----------

		*** NEVADA-ONLY *** HCLD ***		
Line #	Claimed Exemption Type	Book Cost Before Depreciation	Book Cost Less Depreciation	Dept Use Only
1	Licensed Vehicles (From Sch. 2)			
2	Air Pollution Control (From Sch. 3)			
3	Water Pollution Control (From Sch. 4)			
	Total			

		*** NEVADA-ONLY *** RCNLD ***		
Line #	Claimed Exemption Type	Replacement Cost New	Replacement Cost New Less Depreciation	Dept Use Only
4	Licensed Vehicles (From Sch. 2)			
5	Air Pollution Control (From Sch. 3)			
6	Water Pollution Control (From Sch. 4)			
	Total			

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

**CLAIM FOR EXEMPTION: NEVADA LICENSED VEHICLES
Schedule 2**

Company:				Division:					
Line #	NEVADA LICENSE **PLATE NUMBER	ENTER YEAR OF VEHICLE	BRAND NAME OR VIN NO OF VEH	ENTER TYPE OF VEHICLE	ENTER PERCENT NEVADA USE (1)	ENTER VEHICLE HCLD \$ (2)	ENTER VEHICLE RCNLD \$ (3)	ENTER ALLOWED HCLD EXEMPTION \$ (4)	ENTER ALLOWED RCNLD EXEMPTION \$ (5)
1									
2									
3									
4									
5									
6									
7									
8									
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11									
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25									

TOTALS THIS PAGE

- (1) Enter percent of vehicle use reported to Nevada DMV for Nevada license fee computation.
- (2) Enter vehicle historic or book cost less depreciation at end of the calendar year.
- (3) Enter vehicle replacement cost less depreciation at end of the calendar year. Use this column only if you reported RCNLD on COST page 2.
- (4) Enter the allowed exemption by multiplying the reported Nevada DMV use times the HCLD.
- (5) Enter the allowed exemption by multiplying the reported Nevada DMV use times the RCNLD. Use this column only if you reported RCNLD on COST page 2.
- (6) Attach additional pages if necessary. Use the identical format found on this page.

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

CLAIM FOR EXEMPTION: AIR POLLUTION CONTROL EQUIPMENT IN NEVADA ONLY
Schedule 3

Company:							Division:		
(A) Line #	(B) EQUIPMENT TYPE	(C) PRIMARY PURPOSE	(D) MANDATING LAW OR CODE	(E) LOCATION AND DESCRIPTION	(F) INSTALLATION DATE	(G) INSTALLATION HISTORIC COST	(H) ENTER EQUIP. HCILD \$ (1)	(I) INSTALLATION REPLACEMENT COST	(J) ENTER EQUIP. RCNLD \$ (2)
1									
2									
3									
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24									
25									

(1) Book Cost Less Depreciation at end of the calendar year for mandated air pollution equipment located in Nevada.

(2) Use columns I and J only if RCNLD costs are reported on COST page 2.

(3) Attach additional pages if necessary. Use the identical format found on this page.

TOTAL ALL PAGES COL. (H) OR (J) = \$ _____

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

CLAIM FOR EXEMPTION: WATER POLLUTION CONTROL EQUIPMENT IN NEVADA ONLY
Schedule 4

Company:					Division:				
(A) Line #	(B) EQUIPMENT TYPE	(C) PRIMARY PURPOSE	(D) MANDATING LAW OR CODE	(E) LOCATION AND DESCRIPTION	(F) INSTALLATION DATE	(G) INSTALLATION HISTORIC COST	(H) ENTER EQUIP. HCLED \$ (1)	(I) INSTALLATION PLACEMENT CO	(J) ENTER EQUIP. RCNLD \$ (2)
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25									

(1) Book Cost Less Depreciation at end of the calendar year for mandated water pollution equipment located in Nevada. SHEET ____ OF ____
 (2) Use columns I and J only if RCNLD costs are reported on COST page 2.
 (3) Attach additional pages if necessary. Use the identical format found on this page. TOTAL ALL PAGES COL. (H) OR (J) = \$ _____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

SYSTEM-WIDE OPERATING LEASES
Historic Cost Less Depreciation
Schedule 5

Company:					Division:			
Line #	ITEM LEASED (1)	LESSOR'S HISTORIC ACQUISITION COST	LESSOR'S LAND COST	CURRENT YEAR DEPRECIATION	ACCUMULATED DEPRECIATION	ANNUAL LEASE PAYMENT	LEASE YEARS REMAINING	RESIDUAL VALUE
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25								
TOTALS								

- (1) Report historic or book cost and book depreciation at end of calendar year for all items.
(2) Attach additional pages if necessary. Use the identical format found on this page.
(3) This schedule is for reporting easements, property, and equipment.

SHEET ____ OF ____

NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012
SYSTEM-WIDE OPERATING LEASES
Replacement Cost New Less Depreciation
Schedule 6

Company:					Division:				
Line #	ITEM LEASED (1)	LESSOR'S REPLACEMENT COST NEW	LESSOR'S CURRENT MARKET LAND COST	CURRENT YEAR DEPRECIATION	ACCUMULATED DEPRECIATION	ANNUAL LEASE PAYMENT	LEASE YEARS REMAINING	RESIDUAL VALUE	
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22									
23									
24									
25									
TOTALS									

(1) Report replacement cost new and requisite depreciation at end of calendar year for all items.
 (2) Attach additional pages if necessary. Use the identical format found on this page.
 (3) This schedule is for reporting easements, property, and equipment.

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

**NEVADA-ONLY OPERATING LEASES
Historic Cost Less Depreciation
Schedule 7**

Company:		Division:						
Line #	ITEM LEASED (1)	LESSOR'S HISTORIC ACQUISITION COST	LESSOR'S LAND COST	CURRENT YEAR DEPRECIATION	ACCUMULATED DEPRECIATION	ANNUAL LEASE PAYMENT	LEASE YEARS REMAINING	RESIDUAL VALUE
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22								
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25								
TOTALS								

(1) Report historic or book cost and book depreciation at end of calendar year for all items located in Nevada.

(2) Attach additional pages if necessary. Use the identical format found on this page.

(3) This schedule is for reporting easements, property, and equipment.

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

**NEVADA-ONLY OPERATING LEASES
Replacement Cost New Less Depreciation
Schedule 8**

Company:				Division:				
Line #	ITEM LEASED (1)	LESSOR'S REPLACEMENT COST NEW	LESSOR'S CURRENT MARKET LAND COST	CURRENT YEAR DEPRECIATION	ACCUMULATED DEPRECIATION	ANNUAL LEASE PAYMENT	LEASE YEARS REMAINING	RESIDUAL VALUE
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25								
TOTALS								

(1) Report replacement cost new and requisite depreciation at end of calendar year for all items located in Nevada.
 (2) Attach additional pages if necessary. Use the identical format found on this page.
 (3) This schedule is for reporting easements, property, and equipment.

SHEET ___ OF ___

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

**SYSTEM-WIDE ASSETS
Contributions in Aid of Construction
Schedule 9**

Company:		Division:									
Project		System-wide Historic (Book) Cost Less Book Depreciation				System-wide Replacement Cost New Less Depreciation				(L)	
(A) Line #	(B) CIAC PROJECT	(C) WORK-ORDER GROSS ADDTNS	(D) YEAR-END BALANCE	(E) CURRENT DEPRECIATION	(F) YEAR-END ACCUM DEPR	(G) YEAR-END HCLD \$ (1)	(H) WKORDER RCN GR ADDITIONS	(I) PROJECT RCN TOTAL	(J) TYPE OF DEPRECIATION	(K) ACCUMULATED DEPRECIATION	(L) YEAR-END RCNLD \$ (2)
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24											
25											
Totals											

(1) Enter Project Book Cost Less Book Depreciation at end of the calendar year. Source documentation is memorandum account information and work-order records.
 (2) Use Columns H through L only if RCNLD costs are reported on COST page 2. Enter project replacement cost new less depreciation at end of calendar year.
 (3) Attach additional pages if necessary. Use the identical format found on this page.

TOTAL ALL PAGES COL. (G) OR (L) = \$ _____

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

**NEVADA-ONLY ASSETS
Contributions in Aid of Construction
Schedule 10**

Company:		Division:									
Project		Nevada-only Historic (Book) Cost Less Book Depreciation				Nevada-only Replacement Cost New Less Depreciation					
(A) Line #	(B) CIAC PROJECT	(C) WORK-ORDER GROSS ADDTNS	(D) YEAR-END BALANCE	(E) CURRENT DEPRECIATION	(F) YEAR-END ACCUM DEPR	(G) YEAR-END HCILD \$ (1)	(H) WKORDER RCN GR ADDITIONS	(I) PROJECT RCN TOTAL	(J) TYPE OF DEPRECIATION	(K) ACCUMULATED DEPRECIATION	(L) YEAR-END RCNLD \$ (2)
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23											
24											
Totals											

(1) Enter Project Book Cost Less Book Depreciation at end of the calendar year. Source documentation is memorandum account information and work-order records.
 (2) Use Columns H through L only if RCNLD costs are reported on COST page 2. Enter project replacement cost new less depreciation at end of calendar year.
 (3) Attach additional pages if necessary. Use the identical format found on this page.

TOTAL ALL PAGES COL. (G) OR (L) = \$ _____

SHEET ____ OF ____

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

OPERATING INCOME REPORT - INCOME INDICATOR DATA

Company:		Division:	
Line #	Account Title	Account Nos.	Year End Amount
			*** SYSTEM-WIDE *** *** NEVADA-ONLY ***
	Revenue Accounts		
1	Operating Revenue		
2	Miscellaneous Revenue		
3	Other Revenue		
4	Total Operating Revenue		
5	Operating Expenses (See Note 1)		
6	Operating and Maintenance		
7	Other Expense - Specify		
8	Other Expense - Specify		
9	Corporate operating expense		
10	Total Operating Expenses		
11	Operating Taxes		
12	Federal Income Tax		
13	Property Tax		
14	All Other Tax		
15	Deferred Income Tax		
16	Total Taxes		
17	Noncash Expenses		
18	Depreciation		
19	Amortization		
20	Other		
21	Total Expenses		
22	Net Operating Income After Taxes		
23	Non-Operating Revenue		
24	Non-Operating Expense		
25	Misc. Expense - Specify		
26	Misc. Expense - Specify		

1. Report depreciation separately.
2. Amount on line 22 may vary from amount determined in appraisal.
3. Supply all back-up documentation for above values reported. Provide audited company financials.
4. Explain details of unusual entries below:

NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012
SYSTEM-WIDE OPERATING UNIT HISTORICAL AND PROJECTED INCOME DATA
Schedule 11

Company:		Division:				
		<u>HISTORICAL INCOME DATA</u>				
LINE REFERENCES		2008	2009	2010	2011	2012
1	TOTAL OPERATING REVENUE					
2	TOTAL OPERATING EXPENSE					
3	INCOME TAX EXPENSE					
4	DEFERRED INCOME TAX EXPENSE					
5	1-(2+3+4) NET OPERATING INCOME AFTER F.I.T.					
6	GROSS VALUE OF ALL OPER LSD & RENTED PROPERTY					
7	RENT EXPENSES FOR OPER LEASES & RENTED PROPERTY					
8	LESS: (a) IMPUTED DEPRECIATION (Leased and rented prop.)					
9	(b) INCOME TAX (on lease and rental expenses)					
10	(c) OTHER APPLICABLE EXPENSES (income or rent related)					
11	7-(8+9+10) ADJUSTMENT TO NET INCOME AFTER F.I.T.					
12	5+11 ADJUSTED INCOME TO BE CAPITALIZED					
		<u>PROJECTED INCOME DATA</u>				
LINE REFERENCES		2013	2014	2015	2016	2017
1	TOTAL OPERATING REVENUE					
2	TOTAL OPERATING EXPENSE					
3	FEDERAL INCOME TAX EXPENSE					
4	DEFERRED FEDERAL INCOME TAX EXPENSE					
5	1-(2+3+4) NET OPERATING INCOME AFTER F.I.T.					
6	GROSS VALUE OF ALL OPER LSD & RENTED PROPERTY					
7	RENT EXPENSES FOR OPER LEASES & RENTED PROPERTY					
8	LESS: (a) IMPUTED DEPRECIATION (Leased and rented prop.)					
9	(b) INCOME TAX (on lease and rental expenses)					
10	(c) OTHER APPLICABLE EXPENSES (income or rent related)					
11	7-(8+9+10) ADJUSTMENT TO NET INCOME AFTER F.I.T.					
12	5+11 ADJUSTED INCOME TO BE CAPITALIZED					

* Any normalization or annualization adjustments to a company's net operating income must be based on known, measurable and experienced A Nevada unit projected operating income may be required under certain circumstances.

**NEVADA DEPARTMENT OF TAXATION
TAX YEAR 2014-2015 ANNUAL REPORT
FOR YEAR ENDING DECEMBER 31, 2012**

NEVADA-ONLY OPERATING PROPERTY: LAND
Schedule 12

Show the requested data for **all land**, owned or leased, in Nevada.

Company:				Division:			
Line #	Where Situated		Brief Description, Date Acquired and Assessor's Parcel Number	Owned (O) Leased (L) Rented (R)	Account in which carried	End of Year Book Cost	Current Market Value
	County	City or Town					
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							

Please use as many pages as necessary, or provide data in similar format from company records.

SHEET ___ OF ___

EXHIBIT 6

FILED
Electronically
05-06-2013:06:36:53 PM
Joey Orduna Hastings
Clerk of the Court
Transaction # 3707737

EXHIBIT 6

VL0081

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** CARSON CITY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
01.0 SUB & URBAN & EAGLE VAL WATER		2
01.5 CARSON REDEV		
01.6 SO CARSON REDEV		D
01.7 SO CARSON REDEV		E
02.1 SUBCONSERVANCY		C
02.3 SUB & SIERRA FOREST FIRE		I
02.4 SUB & EAGLE VALLEY		M
02.5 SUB & EAGLE & SIERRA FOREST FIRE		A
02.6 SIERRA FOREST FIRE		L
02.7 SUB & CARSON VAL GROUNDWATER		S
02.8 SUB & SIERRA FOREST FIRE & TRPA		
TOTAL MILES		

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** CHURCHILL COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
100 FALLON	
200 GENERAL COUNTY	
300 NON-WATERSHED	
TOTAL MILES	

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____
DATE _____

COMPLETED BY _____
CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B

GAS AND PIPELINE OPERATING MILEAGE

INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

*** CLARK COUNTY ***

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
050 BOULDER CITY LIBRARY	
051 BOULDER CITY/COLORADO RIVER	
052 BOULDER CITY	
055 BOULDER CITY/LIBRARY/HENDERSON	
057 BOULDER CITY/LV/CC/LIBRARY DEBT	
058 BOULDER CITY/LIBRARY/REDEVELOPMENT	
059 BOULDER CITY/REDEVELOPMENT	
060 BOULDER CITY/LIBRARY	
061 BOULDER CITY/LIBRARY/COLORADO RIVER	
100 UNINCORPORATED COUNTY	
101 UNINCORPORATED COUNTY/FIRE	
102 UNINCORPORATED COUNTY/COLORADO RIVER	2
103 UNINCORPORATED COUNTY/911	
104 UNINCORPORATED COUNTY/FIRE	D
105 LAUGHLIN TOWN	E
106 LAUGHLIN TOWN/COLORADO RIVER	C
107 LAUGHLIN TOWN/BIG BEN/COLORADO RIVER	I
109 UNINCORPORATED COUNTY MT CHARLESTON FIRE	M
110 MT. CHARLESTON TOWN/FIRE	L
115 MT. CHARLESTON /KYLE CANYON	S
120 ARTESIAN BASIN	
121 ARTESIAN BASIN/911	
125 ARTESIAN BASIN/FIRE/911	
135 INDIAN SPRINGS TOWN	
143 ARTESIAN BASIN/FIRE	
145 UNINCORPORATED COUNTY/MUDDY RIVER	
146 UNINCORPORATED COUNTY/COYOTE SPRING	
200 LAS VEGAS CITY	
203 LAS VEGAS CITY/REDEVELOPMENT	
204 LAS VEGAS CITY/REDEVELOPMENT/LIBRARY	
206 LAS VEGAS CITY/LIBRARY	
207 LAS VEGAS CITY/REDEVELOPMENT/LIBRARY	
208 LAS VEGAS CITY/LVMPD	
210 LAS VEGAS CITY/ARTESIAN BASIN	
212 LAS VEGAS CITY REDEVELOPMENT LMPD	
250 NORTH LAS VEGAS CITY	
253 NORTH LAS VEGAS/REDEVELOPMENT	
254 NORTH LAS VEGAS CITY LIBRARY	
255 NORTH LAS VEGAS/REDEVELOPMENT/LIBRARY	
256 NORTH LAS VEGAS REDEVELOPMENT LIBRARY	
257 NORTH LAS VEGAS REDEVELOPMENT LIBRARY	

2007: RETIRED 114 INTO 110 , ADDED 256 FROM PORTION OF 250

2008: ADDED 212 & 257, 123 RETIRED INTO 121, RENAMED 510,515,520,525

2009: ADDED 109, 524, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849 RETIRING 112, 507, 517 & 833

2010 ADDED 851 FROM PORTION OF 800

ROUND ANY TO TWO
DECIMAL PLACES ONLY

CONTINUED NEXT PAGE

SCHEDULE B (CONT. FROM PREVIOUS PAGE)

COMPANY _____

*** CLARK COUNTY ***

TAX DISTRICTS

TOTAL DISTRICT
INCH MILES

340 SUNRISE MANOR	
341 SUNRISE MANOR CC REDEVELOPMENT	
410 WINCHESTER TOWN	
411 WINCHESTER CC REDEVELOPMENT	
417 SPRING VALLEY TOWN	
420 SUMMERLIN TOWN/ARTESIAN BASIN	
421 SUMMERLIN TOWN	
470 PARADISE TOWN	
471 PARADISE CC REDEVELOPMENT	
500 HENDERSON CITY	
503 HENDERSON CITY/REDEVELOPMENT	
505 HENDERSON CITY /ARTESIAN BASIN	
510 UNINCORPORATED COUNTY/LVMPD/LIBRARY	
512 HENDERSON CITY/REDEVELOPMENT	
513 HENDERSON CITY/REDEVELOPMENT	
514 HENDERSON CITY/REDEVELOPMENT	
515 UNINCORPORATED COUNTY/ FIRE / LIBRARY	
516 HENDERSON LIBRARY DEBT/ARTESIAN BASIN	
518 HENDERSON CITY REDEVELOPMENT	
520 UNINCORPORATED COUNTY/ LIBRARY / ARTESIAN BASIN	
521 HENDERSON CITY REDEVELOPMENT	
522 HENDERSON CITY REDEVELOPMENT	
523 HENDERSON CITY REDEVELOPMENT	
524 HENDERSON CITY REDEVELOPMENT	
525 UNINCORPORATED COUNTY/ ARTESIAN BASIN / FIRE	
550 WHITNEY TOWN	
570 WHITNEY TOWN/ARTESIAN BASIN	
620 ENTERPRISE TOWN	
621 ENTERPRISE LIBRARY/911	
625 ENTERPRISE LIBRARY/FIRE/911	
630 ENTERPRISE LIBRARY/ARTESIAN	
631 ENTERPRISE LIBRARY/ARTESIAN/911	
635 ENTERPRISE LIBRARY/ARTESIAN/FIRE/911	
636 ENTERPRISE LIBRARY/ARTESIAN/FIRE	
700 SEARCHLIGHT TOWN	
701 SEARCHLIGHT TOWN/COLORADO RIVER	
800 BUNKERVILLE TOWN	
810 MOAPA VALLEY/TOWN	
815 MOAPA VALLEY/FIRE	
820 MOAPA TOWN/WATER	
825 MOAPA VALLEY/TOWN/FIRE	
826 MOAPA VALLEY/TOWN/LVMPD	
827 MOAPA VALLEY/FIRE/LIBRARY	
828 MOAPA TOWN	
830 MOAPA TOWN/COYOTE SPRING	
831 MOAPA TOWN/MUDDY RIVER	
832 MOAPA TOWN/WATER/MUDDY RIVER	
834 MOAPA VALLEY TOWN FIRE	
835 MOAPA VALLEY FIRE WATER DEBT	
836 MOAPA TOWN LOWER MOAPA	
837 MOAPA VALLEY TOWN BASIN	
838 MOAPA VALLEY LIBRARY BASIN	
839 MOAPA TOWN MOAPA GROUNDWATER	
840 MOAPA VALLEY TOWN GROUNDWATER	
841 MOAPA VALLEY WATER	
842 MOAPA VIRGIN RIVER	
843 MOAPA LIBRARY VIRGIN WATER	
844 MOAPA FIRE GROUNDWATER	
845 BUNKERVILLE TOWN LIBRARY	

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SCHEDULE B (CONT. FROM PREVIOUS PAGE)

COMPANY _____

*** CLARK COUNTY ***

TAX DISTRICTS

TOTAL DISTRICT
INCH MILES

846 MOAPA TOWN FIRE	
847 MOAPA TOWN LIBRARY	
848 MOAPA TOWN FIRE WATER	
849 MOAPA TOWN FIRE BASIN	
851 MOAPA VALLEY VIRGIN VALLEY	
901 MESQUITE CITY	
902 MESQUITE CITY/REDEVELOPMENT	
903 MESQUITE CITY/REDEVELOPMENT/LIBRARY	
TOTAL MILES	

2007: RETIRED 114 INTO 110 , ADDED 256 FROM PORTION OF 250

2008: ADDED 212 & 257, 123 RETIRED INTO 121, RENAMED 510,515,520,525

2009: ADDED 109, 524, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849 RETIRING 112, 507, 517 & 833

2010: ADDED 851 FROM PORTION OF 800

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** DOUGLAS COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
101 GENERAL COUNTY/TAHOE DOUGLAS FIRE(TDF)	
110 TAHOE DOUGLAS SEWER DISTRICT (TDS)	
120 LOGAN CREEK GID	
130 CAVE ROCK ESTATES GID	
140 LAKE RIDGE GID	
150 SKYLAND GID	
160 ZEPHYR COVE GID	
170 ZEPHYR HEIGHTS GID	
180 ZEPHYR KNOLLS GID	
190 MARLA BAY GID	
200 ROUND HILL GID	
210 ELK POINT SANITATION DISTRICT	
220 DOUGLAS COUNTY SEWER	
230 OLIVER PARK GID	
300 GENERAL COUNTY / EAST FORK FIRE PROTECTION DIST (EFFPD)	
302 GENERAL COUNTY / EFFPD / TDS	
320 GENERAL COUNTY / EFFPD / CWS	
330 GENERAL COUNTY / EFFPD / CWS / MOSQ	
335 GENERAL COUNTY/ EFFPD / CWS / RD	
340 SIERRA ESTATES GID / EFFPD	
350 INDIAN HILLS GID / EFFPD	
351 INDIAN HILLS GID / EFFPD	
355 INDIAN HILLS GID/RD	
356 INDIAN HILLS GID/EFFPD	
410 KINGSBURY GID	
421 KINGSBURY GID/DC SEWER	
430 KINGSBURY GID/CWS	
440 GENERAL COUNTY/TDF	
450 KINGSBURY GID/MOSQ/CWS	
500 GENERAL COUNTY/CWS/MOSQ	
505 GENERAL COUNTY/CWS/MOSQ/RD	
510 MINDEN	
521 GARDNERVILLE	
530 GARDNERVILLE RANCHOS	
540 GENOA	
545 GENOA/RD	
600 TOPAZ	
610 TOPAZ RANCH ESTATES GID	
TOTAL MILES	

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ROUND TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** ELKO COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
001 GENERAL COUNTY		2
002 ELKO TV		
003 ELKO AUDITORIUM		D
010 CARLIN		E
011 & 011.5 ELKO		C
012 WELLS		I
020 JACKPOT		M
021 MONTELO		A
022 MOUNTAIN CITY		L
023 WENDOVER		S
TOTAL MILES		

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B

GAS AND PIPELINE OPERATING MILEAGE

INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

*** ESMERALDA COUNTY ***

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0010 GOLDFIELD TOWN	
0020 SILVER PEAK TOWN	
0060 GENERAL COUNTY	
TOTAL MILES	

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** EUREKA COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT
	INCH MILES
0010 EUREKA TOWN	
0020 CRESCENT VALLEY TOWN	
0030 DIAMOND VALLEY	
0040 GENERAL COUNTY	
TOTAL MILES	

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** HUMBOLDT COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
0010 WINNEMUCCA		2
0020 GENERAL COUNTY		
0030 WINNEMUCCA RURAL FIRE		D
0040 GOLCONDA FIRE		E
0050 PARADISE FIRE		C
0060 PUEBLO FIRE		I
0070 OROVADA FIRE		M
0080 MCDERMITT FIRE		A
0090 HUMBOLDT FIRE		L
0100 KINGS RIVER GENERAL IMPROVEMENT DIST		S
TOTAL MILES		

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** LANDER COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0010 AUSTIN TOWN	
0020 BATTLE MOUNTAIN TOWN	
0030 KINGSTON TOWN	
0060-70 GENERAL COUNTY	
TOTAL MILES	

*ROUND ANY TO TWO
DECIMAL PLACES ONLY*

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B**GAS AND PIPELINE OPERATING MILEAGE****INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT**

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012***** LINCOLN COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
0010 PIOCHE TOWN		2
0020 PANACA TOWN		D
0030 CALIENTE TOWN		E
0040 & 0041 ALAMO TOWN		C
0050 GENERAL COUNTY		I
0051 SE LN CO HABITAT CONSERVATION		M
0060 PAHARANAGAT VALLEY FIRE		A
0070 PIOCHE FIRE		L
0080 COYOTE SPRINGS GID		S
0090 PANACA FIRE DISTRICT		
TOTAL MILES		

ROUND ANY TO TWO
DECIMAL PLACES ONLY

2007: ADDED 0090

2009: ADDED 0041 & 0051

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B

GAS AND PIPELINE OPERATING MILEAGE

INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012***** LYON COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
1.0 YERINGTON CITY		
2.0 & 2.1 MASON VALLEY FIRE / HOSP / POOL		2
2.2 MASON VALLEY FIRE		
3.0 & 3.1 WILLOWCREEK GID		D
4.0 SMITH VALLEY FIRE		E
5.00 & 5.10 GEN CNTY / SO LY HOSP		C
6.0 FERNLEY CITY		I
6.1 NORTH LYON FIRE NON-CITY		I
6.2 FERNLEY GENERAL COUNTY		M
7.0 CENT LYON CNTY FIRE / HOSP / NONSUB		A
8.1, 8.2, 8.3 & 9.2 SILVER SPRINGS / STAGECOACH HOSP		L
8.4, 8.5, 8.7 & 8.8 CENT LYON CNTY FIRE / VECTOR		S
9.0 STAGECOACH GID		
9.1 CENT LYON NONVECTOR		
TOTAL MILES		

2007: DELETED 515

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** MINERAL COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0100 HAWTHORNE TOWN	
0120 LUNING TOWN	
0130/0140 MINA TOWN	
0150 GENERAL COUNTY	
0200 WALKER TOWN	
TOTAL MILES	

*ROUND ANY TO TWO
DECIMAL PLACES ONLY*

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B

GAS AND PIPELINE OPERATING MILEAGE

INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

*** NYE COUNTY ***

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
0001, 0016 & 0017 BEATTY		2
0002 GABBS		
0003 MANHATTAN		D
0004 ROUND MOUNTAIN		E
0005 & 0009 GENERAL COUNTY		C
0006 PAHRUMP		I
0007 TONOPAH		M
0008 AMARGOSA		A
0010 & 0011 SMOKEY VALLEY LIBRARY		L
0012 TONOPAH LIBRARY		S
0013 AMARGOSA LIBRARY		
0015 BEATTY LIBRARY		
TOTAL MILES		

ROUND ANY TO TWO
DECIMAL PLACES ONLY

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** PERSHING COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0001 LOVELOCK	
0002 GENERAL COUNTY	
0003 IMLAY TOWN	
TOTAL MILES	

*ROUND ANY TO TWO
DECIMAL PLACES ONLY*

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** STOREY COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0010 GENERAL COUNTY	
0020 VIRGINIA CITY	
0040 GOLD HILL	
0062 CARSON WATER CONSERVANCY	
0112 CANYON GID	
TOTAL MILES	

*ROUND ANY TO TWO
DECIMAL PLACES ONLY*

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
INTERCOUNTY ALLOCATION / INTRACOUNTY APPORTIONMENT

Indicate to the nearest two decimal places the company's operating mileage, owned and leased, in each county as well as the mileage in each district within each county. Report all mileage in inch miles (pipe length in miles multiplied by the diameter of that length of pipe in inches). Please use this form and report all inch miles in the districts as indicated on this form.

REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

*** WASHOE COUNTY ***

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
1000 RENO,RWPA	
1005 RENO,TMUGWB,RWPA	
1011 RENO,VTV,RWPA	
1012 BOCA WATER, VERDI T.V.	
1015 RENO,BW,TMUGWB,RWPA	
1016 RENO,VTV,TMUGB,RWPA	
1017 RENO,VTV,TMUWB	
1025 RENO REDEV 2, TMUWB	
1031 RENO REDEV 2, VTV	
1035 RENO REDEV 2, TMUWB, BW	
1040 RENO,LVWD,RWPA	
1055 RENO REDEV,RWPA,TMUGWB	
1155 RENO REDEV,PLCE,RWPA,TMUGWB	
1157 RENO REDEV,PLCE,MNTCE,RWPA,TMUWB	
1165 RENO REDEV,PLCE,BW,TMUWB	
1705 RENO STMGID TMUGWB	
1805 RENO,LAWTON VERDI GID,TMUWB	
1811 RENO, VERDI TV DIST, LAWTON VERDI GID	
1831 RENO REDEV 2, LVGID, VTV	
2000 SPARKS,RWPA	
2005 SPARKS,TMUWB	
2006 SPARKS REDEV 2,RWPA,TMUWB	
2008 SPARKS REDEV,RWPA,TMUWB	
2010 SPARKS,BW,RWPA	
2015 SPARKS,BW,TMUGWB,RWPA	
2016 SPARKS REDEV 2,BW,RWPA,TMUGWB	
2018 SPARKS REDEV,BW,RWPA,TMUGWB	
2020 SPARKS REDEV, TIF	
4000 TMFPD,RWPA	
4005 TMFPD,BW,STMGID,VTV,TMUGWB,RWPA	
4010 TMFPD,BW,RWPA	
4011 TMFPD,VTV,RWPA	
4015 TMFPD,BW,TMUGWB,RWPA	
4016 TMFPD,VTV,TMUGWB,RWPA	
4017 TMFPD,BW,VTV,TMUGWB,RWPA	
4020 TMFPD,SVWS	
4025 TMFPD,SVWS,TMUGWB,RWPA	
4040 TMFPD,LVWD,RWPA	
4400 TMFPD,PVGID,RWPA	
4540 TMFPD,GVTGID,LVWD,RWPA	
4700 TMFPD,STMGID,RWPA	
4705 TMFPD,STMGID,TMUGWB,RWPA	

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2008: 2020 NEW FORMERLY PART OF DISTR 2000. ALL 3000 SERIES TAX DISTRICTS CHANGED TO 6000.
 CONTINUED NEXT PAGE

COMPANY _____

SCHEDULE A CONTINUED

*** WASHOE COUNTY ***

TAX DISTRICTS	TOTAL DISTRICT INCH MILES	
4715 TMFPD,BW,STMGID,TMUGWB,RWPA		
4805 TMFPD,LVGID,TMUGWB,RWPA		
5000 NORTH TAHOE FIRE (NTFPD)		
5200 NTFPD,INCLINE VILLAGE GID		2
6000 SFFPD,RWPA		
6002 SFFPD,TRPA		D
6005 SFFPD,TMUGWB,RWPA		E
6011 SFFPD,VTV,RWPA		C
6012 SFFPD,BW,VTV,RWPA		I
6015 SFFPD,BW,TMUGWB,RWPA		M
6016 SFFPD,VTV,TMUGWB,RWPA		A
6040 SFFPD,LVWD,RWPA		L
6041 SFFPD,LVWD,VTV,RWPA		S
6700 SFFPD,STMGID,RWPA		
6705 SFFPD,STMGID,TMUGWB,RWPA		
6715 SFFPD,BW,STMGID,TMUGWB,RWPA		
6811 SFFPD,VTV,LVGID,RWPA		
6812 SFFPD,BW,VTV,LVGID,RWPA		
9000 WASHOE COUNTY (RURAL)		
9400 WASHOE COUNTY,PVGID,RWPA		
9601 WASHOE COUNTY,GERLACH GID		
TOTAL MILES		

ABBREVIATIONS:

1. BW BOCA WATER
2. LVWD LEMMON VALLEY WATER DISTRICT
3. LVGID LAWTON VERDI GENERAL IMPROVEMENT DISTRICT
4. RWPA REGIONAL WATER PLANNING AND ADVISORY BOARD
5. STMGID SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
6. REDEV REDEVELOPMENT DISTRICT (RENO OR SPARKS)
7. SVWS SUN VALLEY WATER AND SANITATION DISTRICT
8. TMFPD TRUCKEE MEADOWS FIRE PROTECTION DISTRICT
9. TMUGWB TRUCKEE MEADOWS UNDERGROUND WATER BASIN
10. VTV VERDI TV DISTRICT
11. NTFPD NORTH TAHOE FIRE PROTECTION DISTRICT
12. PVGID PALAMNO VALLEY GENERAL IMPROVEMENT DISTRICT
13. GVTGID GRANDVIEW TERRACE GENERAL IMPROVEMENT DISTRICT
14. SFFPD SIERRA FOREST FIRE PROTECTION DISTRICT

ROUND ANY TO TWO
DECIMAL PLACES ONLY

2008: 2020 NEW FORMERLY PART OF DISTR 2000. All 3000 SERIES TAX DISTRICTS CHANGED TO 6000.

COMPANY _____

COMPLETED BY _____

DATE _____

CONTACT PHONE _____

STATE OF NEVADA DEPARTMENT OF TAXATION SCHEDULE B
GAS AND PIPELINE OPERATING MILEAGE
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REPORT FOR MILEAGE AS OF DECEMBER 31, 2012

***** WHITE PINE COUNTY *****

TAX DISTRICTS	TOTAL DISTRICT INCH MILES
0010, 0011, 0012, 0013, 0014 ELY	
0020 MCGILL	
0030 LUND	
0040 RUTH	
0050 GENERAL COUNTY	
TOTAL MILES	

ROUND ANY TO TWO
DECIMAL PLACES ONLY

2009: ADDED 0011, 0012, 0013 & 0014

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SNELL & WILMER L.L.P.
Suellen Fulstone, No. 1615
50 West Liberty Street, Suite 510
Reno, Nevada 89501
Telephone: (775) 785-5440

Attorneys for Petitioners

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

VILLAGE LEAGUE TO SAVE INCLINE)	Case No.	CV03-06922
ASSETS, INC., a Nevada non-profit)		
corporation, on behalf of their members and)	Dept. No.	7
others similarly situated; MARYANNE)		
INGEMANSON, Trustee of the Larry D. and)		
Maryanne B. Ingemanson Trust; DEAN R.)		
INGEMANSON, individually and as Trustee)		
of the Dean R. Ingemanson; J. ROBERT)		
ANDERSON; and LES BARTA; on behalf of)		
themselves and others similarly situated;)		
)		
Petitioners,)		
)		
vs.)		
)		
STATE OF NEVADA on relation of the State)		
Board of Equalization; WASHOE COUNTY;)		
BILL BERRUM, Washoe County Treasurer,)		
)		
Respondents.)		

**REPLY TO COUNTY RESPONSE TO OBJECTIONS TO
FEBRUARY 2013 DECISION ON EQUALIZATION GRIEVANCES**

Taxpayer-petitioners submit the following reply points and authorities in reply to the response filed by the Washoe County respondents (collectively "County") and in support of their objections to the State Board Of Equalization's ("SBOE") February 2013 decision on equalization grievances made under the auspices of the writ of mandate issued by this court ("Taxpayer Objections").

Since Washoe County begins by "concurring" in the arguments made by the SBOE in its response to Taxpayer Objections, taxpayers incorporate by reference in this response the arguments made in the taxpayers' Reply to the SBOE response. In addition to arguments

1 concurrently made by the SBOE, the County also argues that the issues raised by Taxpayer
2 Objections are not ripe for determination; that the Court cannot compel a particular exercise of
3 the SBOE's discretion; that the power to order reappraisals is among the "implied" powers
4 necessary to the performance of the SBOE's duties; that, if the SBOE has no authority to order
5 reappraisals, then it has no authority to hold equalization hearings; and, finally, that taxpayers
6 would not object to reduced property values. These additional arguments should be summarily
7 rejected.

8 This Court has required the SBOE to report on its actions under the writ of mandamus.
9 The only purpose of requiring a report is so that the Court may determine whether the SBOE has
10 complied with the writ. The issue of the SBOE's jurisdiction to order reappraisals is necessarily
11 part of any compliance review. It makes no sense to let the Assessor labor for 6 months or more
12 on reappraisals if those reappraisals are meaningless because the SBOE exceeded its jurisdiction
13 in making the order.

14 In an exercise in misdirection, the County also raises the time-worn platitude about
15 interfering with the SBOE's discretion. The issues raised by Taxpayer Objections do not involve
16 the exercise of SBOE discretion. The SBOE has no discretion to exceed its statutory jurisdiction,
17 violate the Constitution or violate the statutory provisions specifying its membership. The Court
18 is not "interfering" with SBOE discretion when it acts to prevent the SBOE from exceeding or
19 abusing its discretionary powers.

20 The County acknowledges that an agency's "implied" powers are those "necessary" to the
21 performance of its duties. The inquiry effectively ends there. The power to order reappraisals of
22 property, however, cannot credibly be characterized as "necessary" to the SBOE's performance of
23 its duties. The SBOE has performed its duties for almost a hundred years without ever ordering a
24 reappraisal of a single property let alone retroactive mass reappraisals as set forth in the February
25 2013 equalization decision. The SBOE has the authority under the statutes to raise or lower
26 property valuations if the Assessor's valuations are erroneous, unlawful or void. The SBOE is not
27 authorized to delegate to the Assessor or the Department the authority to adjust erroneous,
28 unlawful or void valuations. There is no authority in the statutes to give the Assessor a free "do-

over" at taxpayer expense.

The Supreme Court has determined that the SBOE acts in a quasi-judicial manner when it makes equalization decisions. *Marvin v. Fitch*, 126 Nev. Adv. Op. 18, 232 P.3d 425 (2010). Acting in a quasi-judicial manner means acting through hearings in contested cases in which taxpayer property owners can be heard. The power to hold hearings cannot be compared with the scope of the SBOE's remedial powers or with its non-existent authority under the statute to order property reappraisals.

The County's final argument is a non sequitur. The issue here is not whether property values would go up or down with reappraisals. The present Assessor's values are admittedly void. Void valuations do not create a baseline from which either "up" or "down" can be determined. Under the SBOE's February 2013 equalization decision, the Washoe County Assessor reappraises residential properties at Incline Village/Crystal Bay as though the initial appraisals did not exist. The difference is that the equalization decision omits all of the due process protections taxpayers enjoyed with the initial appraisals. The Assessor gets a "do-over" but taxpayers do not. The Assessor's "do-over" is, for all practical purposes, free of the due process constraints of the initial appraisals, which, in this case, led to those appraisals being set aside as void. Under the equalization decision, instead of the opportunity to obtain information from the Assessor and prepare to challenge the Assessor's valuations, the taxpayer gets five minutes to offer "advice" to the SBOE.

The issue is whether to start the process over again without the due process constraints and with uncertain results or go back to the last known constitutional values. In both *State Board of Equalization v. Bakst*, 122 Nev. 1403, 148 P.3d 717 (2006), and *State Board of Equalization v. Barta*, 124 Nev. 58, 188 P.3d 1092 (2008), the Supreme Court made it clear that resetting to the last constitutional value was the correct choice. Members of the current SBOE have made it equally clear that they disagree with the Supreme Court's *Bakst* and *Barta* decisions. Members are certainly free to disagree; this Court, however, must act to prevent them from acting to nullify those Supreme Court decisions by ordering the performance of acts outside the Board's jurisdiction. Taxpayer Objections must be sustained. The SBOE's February 2013 equalization

1 decision must be set aside and the matter remanded to the SBOE for action within its statutory
2 jurisdiction.

3 May 7, 2013

4 SNELL & WILMER L.L.P.

5 /s/ Suellen Fulstone

6 By: _____

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

7 Attorneys for Petitioners
8

9 **AFFIRMATION**

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

12 May 7, 2013

13 /s/ Suellen Fulstone

14 _____
Suellen Fulstone
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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 7th day of May, 2013.

/s/ Holly W. Longe

Employee of Snell & Wilmer L.L.P.