

A class apart

State tax officials insist they are above the law

By Steven Miller
BusinessNevada

If you trust your eyeballs, you might want to use them on a recent Nevada court decision posted on the BusinessNevada website. These official findings of a respected Northern Nevada district court judge suggest that suspicions about the integrity of state tax agencies are, indeed, well founded—and have been for decades.

The lawsuit was filed in July 2004 by about a dozen Incline Village and Crystal Bay property owners. Following years of difficulties with the Washoe County Assessor's office and after exhausting all administrative remedies, they were legally charging that longtime Assessor Robert W. McGowan simply ignored Nevada law on the appraisal of properties.

Later that month, the Washoe County Assessor, the county of Washoe itself, the State of Nevada and the State Board of Equalization filed response briefs. Then ensued 18 months of expensive legal jockeying between the privately financed lawyers for the plaintiffs and the taxpayer-funded legal teams of all the different state agencies.

Finally, on January 13, District Judge William A. Maddox issued his findings.

For the State of Nevada's taxation apparatus, those findings were devastating. They confirmed some of the worst suspicions of Washoe County and Silver State taxpayers.

Maddox revealed that systemic and pronounced indifference to existing Nevada appraisal law was rampant within the Washoe Assessor's office, the State Board of Equalization and the State Department of Taxation.

Each agency, he found, had felt more than entitled to routinely ignore existing state law and duly promulgated regulations when Lake Tahoe properties were being appraised.

"The [Washoe County] Assessor's position," wrote the judge in his findings of fact, "is that each individual assessor is allegedly governed by generally accepted appraisal methodologies and not Nevada statutes or regulations and that these methodologies do not have to be consistent as between assessors as the individual assessors can adopt different standards for appraisal at any time.

"The State Board [of Equalization]'s position," Maddox continued, "is that the State Board may allegedly adopt any standards, rules, directive, or statements of general applicability without adhering to the process contemplated in NRS 233B, even if these newly adopted items are in direct contravention to existing regulations and statutes.

"The Executive Director of the Department of Taxation's position is that the Executive Director can allegedly create and establish standards of appraisal to determine taxable value of land in direct contravention to the Commission's and State Board's regulations and rules..."

Maddox was not so gauche as to say so, but the clear implication of his findings is that Nevada's property tax assessment agencies see their real role as simply hammering taxpayers in behalf of their government masters—regardless of the provisions of applicable Nevada law.

Serving state and local politicians' always insatiable appetite for money is primary. The law itself? That's of little importance.

Here is where the continuity with Southern Nevada's G-Sting and other scandals can be found. In each instance, Nevada government officials—whether appointed or elected—have implicitly defined themselves as a class apart, an elite anointed by their power. Inherently—if unconsciously—they act out a belief that their elevation into government entitles them to prey upon the citizens they are publicly pledged to serve.

The First District Court's well-grounded findings—which the state agencies are appealing to Nevada's Supreme Court—clearly characterize more than the 2002-2003 period adjudicated in this lawsuit.

What they reveal, for all who have eyes to see, is the actual culture that has become firmly established in Nevada state and local government—but usually remains well concealed from public view.

By almost any measure, it qualifies as systemic corruption.

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