

Justices question use of different assessment standards at Lake Tahoe

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Supreme Court justices Thursday questioned how the state can justify allowing different assessment standards at Incline Village than those used either at Stateline, the eastern shores of Lake Tahoe or even other parts of Washoe County.

The issue is at the core of protests by a group of Incline Village property owners who claim Washoe Assessor Bob McGowan is violating their rights and the law by applying unclear, subjective and special rules to value their homes. The 18 protesters won a ruling based on that logic from Carson District Judge Bill Maddox earlier this year. He ordered their property values set back to what they were before the new rules were implemented with the 2003-04 assessments.

Washoe County and the state appealed as they are doing with a similar ruling by Carson District Judge Mike Griffin who made the same ruling in a separate case involving another 20 Incline property owners.

At the center of the dispute is Washoe's controversial 12-step-grading system for adding taxable value to properties based on the quality of their views of the lake and mountains. Incline protesters have compared that system to the much simpler three-step system used in Douglas County at Lake Tahoe. That system, they claim, results in significantly lower assessed values. But Incline residents also object to similar rules

which value the quality of beach areas and other features in adding to taxable value of their homes.

Before a courtroom packed by more than 100 Incline residents, Justice Michael Gibbons questioned whether it is appropriate for the board of equalization and tax commission to approve one standard for Washoe County and another in Douglas. Deputy Washoe District Attorney Jerry Shea said it is "as long as it is an appropriate standard." He said the constitution and law require fair and uniform assessment, not that the same exact methods be used by all assessors to get there.

Justice Jim Hardesty questioned whether there is fair and uniform equalization if two counties are using different standards. He also asked whether Washoe assessors apply that county's view standards to other properties outside the Tahoe Basin such as Caughlin Ranch in south Reno.

Shea said no because "the area of the lake is unique."

But Hardesty said it would seem the responsibility of the state board and commission to resolve such differences so that everyone uses the same methodology in assessing property.

"Shouldn't the board pick one so that everybody knows what it is?" he asked.

Justice Michael Douglas also suggested there should be one philosophy used in assessing property.

Karen Dickerson, representing the Board of Equalization, warned that setting hard-and-fast rules for all assessors would "take away all discretion from the county assessors." She said they can't reach fair assessments without some flexibility.

And she said there is no evidence using Douglas's system would have resulted in lower tax values at Incline.

"Isn't that the job of the Nevada Tax Commission - to sort this out?" Hardesty asked.

Norm Azevedo, representing the property owners, told the court not only is Washoe using different standards, its rules are too vague for the average homeowner to understand. He said Maddox was correct in ruling that incomprehensible assessment rules have led to unequal assessments at Incline.

"From the taxpayers' perspective, you can't even defend yourself," Azevedo said.

And he said Washoe didn't even follow its own rules. Instead of going to the house to see what kind of view factor to apply, he said they simply "drove down the street and gave it their best professional estimate." The county agreed to change those estimates in 60 percent of cases when they actually went to the house.

Azevedo urged the court to uphold Maddox's ruling and force the county to reappraise Incline properties without the complex "view" standards and other ill-defined rules they imposed in 2003.

Maddox's order would roll back Incline taxes and to what they were in 2003 and force Washoe County to rebate any excess taxes home and business owners in the lawsuit have paid since.

Chief Justice Bob Rose cautioned the crowd it will take at least three months to render a decision in the complex case.

- Contact reporter Geoff Dornan at gdornan@nevadaappeal.com or 687-8750.



Cathleen Allison/Nevada Appeal: Attorney Norman Azevedo speaks before the Nevada Supreme Court on Thursday as Incline Village. Washoe County Assessors are fighting to scrap a lower court decision that rolled back property tax values



Cathleen Allison/Nevada Appeal: Incline Village resident Wayne Fischer listens Thursday afternoon as the Nevada Supreme Court hears arguments regarding an appeal of a lower court ruling that rolled back property tax values.

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