

# **Incline tax ruling could cost the county**

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Washoe County taxpayers could be on the hook for roughly \$14 million under a disputed county tax appeals board decision to roll back Incline Village property values to 2002-03 levels.

County Assessor Josh Wilson said the rollback could mean a loss of \$1.25 billion in taxable value to the county and other entities, resulting in a rough estimate of \$14 million in lost tax revenues for 2006-07.

The county and school district would lose the bulk of that money.

Wilson is appealing a unanimous March decision of the county Board of Equalization to roll back taxable values for more than 9,000 Tahoe properties.

The county board decided it must follow Carson City District Judge William Maddox's ruling last Jan. 13. The judge invalidated methods, such as judging lake views and beaches, used by the county assessor in the last mass appraisal of Incline Village and Crystal Bay for tax year 2003-04.

The county board's decision was contingent upon confirmation Dec. 28 of the Maddox decision by the Nevada Supreme Court. The high court ruled the assessor cannot make up his own rules to value Incline properties and the state tax commission should have authored rules for the assessor to follow.

Wilson said he will ask the state Board of Equalization to schedule an appeal of the county appeals board's decision filed by his predecessor, Bob McGowan.

Wilson said Incline property values are now out of balance with the rest of the

south county. The median taxable value for Incline properties is about 39 percent of the median sales price. For the rest of the south county area, he said taxable values are at 58 percent of sales price. Median is that point where half the values are higher and half lower.

John Sherman, county finance director, said he doesn't expect any financial impact this year on the equalization dispute because it will probably end up in the courts and take months, if not years, to resolve. If reduced values in Incline are upheld, he said that would create a ripple effect in downward adjusting values for all other Washoe property and then all other property in the state.

He said new state rules created in 2004 in valuing beaches and other issues were applied in creating factors used to raise Incline property values this tax year.

County Treasurer Bill Berrum said Incline Village and Crystal Bay residents anticipating a tax rebate should continue to pay their taxes on time to avoid penalties.

While the Maddox case condemned the old rules used for valuing Incline property, only 17 people are plaintiffs in the lawsuit. They're the only ones who are going to be paid, and just for the one year they contested.

Berrum issued checks for the 17 people on Monday for a total of \$67,109 in tax rebates and \$12,395 in interest.

To fight next year's property values, Maryanne Ingemanson, Incline tax revolt leader, said she expects a large number of appeals to be filed before the Jan. 16 deadline. Land values are pegged to rise 15

percent at Incline and Crystal Bay except for lakefront properties that were not raised.

Incline residents filed 558 tax appeals for the current tax year of 2006-07 and filed 1,280 appeals the year before.

"We'll do whatever we have to do," Ingemanson said. "We shouldn't have to go through hoops every year. It's just frustrating."

Reno lawyer Norm Azevedo, who represented most of the 17, said his clients also should receive rebates for the three subsequent tax years since 2003-04,

including the current tax year, which would raise the total to \$210,000 plus interest.

But the county disputes multi-year rebates are owed and that issue is likely to be resolved in court.

Azevedo also represents at least 60 property owners in another dispute about property values for 2004-05. Carson City District Judge Michael Griffin sided with Maddox, and the case has been appealed by the county to the Nevada Supreme Court.

New rules valuing Tahoe properties were approved by the state tax commission in 2004.

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