

December 30, 2002

## PROPERTY OWNERS ALERT # 2 !

Dear Property Owner,

We, The Village League to Save Incline Assets, are re-sending our previous e-mail alert as a "Word" document, urging you to join us in filing an appeal of your property tax assessment, because many of you were unable to open the Adobe PDF file.

If you who have received this information have already filed your appeal with our attorney, please disregard this message. We have added many new names to our mailing list and we want to urge every property owner to contact our attorney, Norm Azevedo (775) 329-6770, to discuss whether or not you have an appealable tax assessment.

TIME IS RUNNING OUT AND YOUR CHANCE TO APPEAL WILL SLIP AWAY ON JANUARY 15.

Some of you may have read the article in the Reno Gazette Journal on December 27th. In the article, the head of the Washoe County Assessors office stated that fewer than 100 would make an appeal. WHAT ARROGANCE! If you missed the article, go to: <http://www.rgj.com/news/stories/html/2002/12/27/30849.php> to read the story.

Since going public with this effort, many people have called with questions about their basis for appeal. Below are the four of the most frequently asked questions?

1. Question: Why should I spend the time and money to file an appeal when it *appears* that the appraised value on my property is reasonable?

Answer: It is the opinion of our attorney, Norm Azevedo, which the Washoe County Appraisers Office is in violation of the law on many points regarding the methodology that is being used to arrive at the appraised value. We therefore feel we have a very strong case to make an appeal, and are highly confident we will win.

2. Question: Why appeal this year, when the assessor will just raise our taxes again next year?

Answer: Our goal is to establish the basis for a total reform of the property tax law. In the opinion of our attorney, the property tax law, NRS 361, as it is being applied by the Washoe County Assessor, is illegal and unconstitutional. Nevada State Law, NRS 361, must be changed to a truly equitable tax appraisal system

3. Question: Why should I pay a lawyer to appeal the assessment, when I can file my own appeal?

Answer: With an individual appeal you might get the assessor's office to reduce your taxes a few dollars this year, however, we still have the long term problem of ever increasing assessments. The ultimate purpose of this appeal process is to change the arbitrary methods used to appraise your property. According to NRS 361... we taxpayers are entitled to "uniform and equal" taxation. That's what we're striving to accomplish with this effort. AS A GROUP, WE CAN DO THIS AND WE NEED YOUR HELP.

Norm Azevedo served as head of the Taxation Division in the Attorney Generals office and served as council to the State Tax Commission for many years. He found that over 50% of the appeals were rejected due to incorrectly filed applications. As he is intimately familiar with the inner workings of the assessor's office, he will be more effective filing the appeals  
Norm Azevedo

4. Question: Why haven't these valuation issues been challenged in the past?

Answer: As individuals, we did not have the "clout" to make changes. This will be the first time we, as a group, have been able to generate numerous appeals and be represented by a knowledgeable and competent law firm. They will challenge the assessor's office and, on our behalf, ask for "uniform and equal" treatment under the law.

Please, if you haven't already done so, read through the attached material with instructions on how to file an appeal. It will cost you nothing to call our attorney, Norm Azevedo at (775) 329-6770, and find out if your assessment is appealable. If you decide to join our effort, it's important to remember that **the absolute deadline for filing your appeal is January 15th. Print out page 4 of the attachment and fax to Norm Azevedo (775) 329-6825**

In addition to calling the attorney, please feel free to call me if you need further information.

Sincerely,

Ted Harris, Chairman of the Taxation Committee  
Village League to Save Incline Assets, Inc.  
775-831-3914  
[tedgh@nvcbell.net](mailto:tedgh@nvcbell.net)

PS. We are not going public with the group appeal, since Norm and his partner Elaine are still researching the property tax situation with both the Washoe County's Assessor's office as well as with the State of Nevada Tax Office. This means we are not going to the local papers at this time with the story about our efforts. If the paper or other media should contact you about our group appeal, please give them a "no-comment" and have them call me immediately. Thanks.

PPS. Please forward this e-mail to everyone in your address book who owns property in Incline. For those who do not have e-mail, print out the attachment, and pass this out to your friends.

Note: It is not our intention to offend anyone with our e-mail messages. If you prefer not to receive e-mail from us please reply with the word "remove" in the subject line.

**Village League to Save Incline Assets, Inc.**  
PO Box 5486, Incline Village, NV 89450-5486

December 24, 2002

Dear Property Owner,

As we approach the holiday season, our county government showed itself to be a Scrooge with the latest property tax assessment notices. The increases for many property owners are nothing short of stunning. On the advice of counsel, we are of the opinion that the appraisals are not "uniform and equal" as mandated by Article 10, Section 1 of the Nevada Constitution. These increases, by the assessor's office, must be questioned and justified.

A group of concerned property owners have contacted Norm Azevedo, an attorney who recently stepped down from his position as head of the taxation division of the Attorney General's office to enter private practice. Norm and his partner and former Deputy Attorney General, Elaine Guenaga, have analyzed hundreds of property tax cases and are well known and respected throughout Nevada's taxation hierarchy. Norm and Elaine are uniquely qualified to address matters concerning our property taxation.

The Washoe County Assessor's office provides a process where property owners can appeal the assessment. Each property owner is entitled to pursue his or her own property tax appeal. The appeal process is very frustrating and time consuming plus the assessor's office loves to divide and conquer. However, if we join forces and express ourselves through a common legal professional, we have a much greater likely hood of obtaining favorable results. As a community with common concerns, the greater our unity in taking action, the greater will be the impact of our efforts.

The first step is for as many property owners as possible to file appeals to send a strong message to not only Washoe County Assessors' office but also to the State of Nevada. Should you wish to appeal your new tax assessment we strongly urge you to join us and retain Norman Azevedo and Elaine Guenaga. Please read the attached memorandum, at the very end of this file, analyzing the issues facing Washoe County property owners and an explanation by our attorneys of their proposed services and what to do. If you decide to appeal, please do so at once, the filing deadline is January 15, with no exceptions.

It is our long term goal to not only reduce our current assessment, but also to put an end to the permanent problem of uncontrolled property tax increases.

If you have questions, please feel free to contact me or Norm Azevedo at once.

Sincerely,

Ted Harris, Chairman of the Taxation Committee

Village League to Save Incline Assets, Inc.  
775-831-3914 [tedgh@nvcbell.net](mailto:tedgh@nvcbell.net)

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Reno, Nevada 89509  
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December 19, 2002

Dear Incline Property Owner:

This letter is to set forth an explanation of the administrative process of disputing a property tax assessment.

The first step we would take on your behalf would be to obtain and review the Assessor's record on which the assessment is based. This review will reveal any errors, such as an incorrect measurement of land or floor space of a building, or the inclusion of an improvement, such as a shed or barn, that is not present on your property. We would then contact the Assessor's office and speak to the appraiser. We may be able at that point to have errors such as described above corrected. Additionally, the appraiser would be asked for an explanation of the basis of the valuation of the property. This contact can reveal possible improper methodologies of calculating value, ones that have no basis in statute or regulation.

If complete relief is not obtained at that point, the next step is for us to file an appeal of the assessment with the Washoe County Board of Equalization (County Board). This appeal must be filed no later than January 15, 2003. Once the appeal has been filed, the Assessor's office prepares its case and so does the property owner. The hearing before the County Board is comparable to a trial in court, and we would be presenting on your behalf all evidence to support your case. The County Board hears both sides and makes a decision. If you are not satisfied with that decision, the next step is an appeal of the County Board's decision to the State Board of Equalization (State Board).

At the hearing before the State Board, new evidence is not usually accepted, and the State Board is supposed to review the record established before the County Board. The State Board reviews the County Board's decision and decides whether the County Board's decision should be modified. The State Board may adjust the County Board's decision downwards or upwards, depending on the evidence presented by both parties.

We have offered to represent Incline Property Owners at the administrative level, meaning before the County Board and State Board, giving you the option of being billed: (1) at our standard hourly rate of \$125; (2) at approximately 50% of our hourly rate, at \$60 per hour, plus 50% of tax dollars saved in the first tax year; or, (3) at a flat rate of \$250, plus 75% of tax dollars saved in the first tax year (example: you pay \$250 up front, we represent you in meeting with the appraiser, presenting your case to the County Board and if necessary, the State Board, and if you end up having your taxes reduced by \$10,000, then you would pay us an additional \$7,500, for a total of \$7,750 paid to us, plus any costs). We have agreed that the review of each taxpayer's case, for those choosing to be billed at our full hourly rate or 50% of that rate, would

not exceed 4 hours per case for a review of the administrative record, 4 hours for proceeding with an appeal before the County Board, and 4 hours for proceeding with an appeal before the State Board.

If you do wish us to handle this matter for you, please sign the attached form, and indicate which option you would prefer, then return the form to us with your signature as soon as possible. Also, we will need either a copy of your assessment notice or the parcel number for your property. If you have any additional documents that you believe are relevant, please provide those as well. We look forward to working on this matter for you.

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AZEVEDO & GUENAGA  
338 California Avenue  
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E-mail [traveler515@att.net](mailto:traveler515@att.net)

**RATES FOR REVIEW OF PROPERTY TAXES**

\_\_\_\_\_ Bill at hourly rate of \$125

\_\_\_\_\_ Bill at hourly rate of \$60, with a contingency fee of 50% of any savings in tax dollars for the 2003-2004 tax year

\_\_\_\_\_ Bill flat rate of \$250, with a contingency fee of 75% of any savings in tax dollars for the 2003-2004 tax year

These rates are for the administrative review process only, meaning the three phases of meeting with the appraiser, appearing before the County Board and appearing before the State Board.

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Street Address: City/State/Zip \_\_\_\_\_

Phone No.: Home \_\_\_\_\_ Business \_\_\_\_\_

Fax No: \_\_\_\_\_ E-mail \_\_\_\_\_

Property APN # \_\_\_\_\_

Along with submitting your request for representation, please include a photo copy of the postcard you received from the Assessor's office with your new assessed values and a copy of the back of the letter from the Assessor listing the comparable sales that were used to arrive at your new appraised value.

AZEVEDO & GUENAGA  
ATTORNEYS AT LAW  
338 California Avenue  
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E-mail [traveler515@att.net](mailto:traveler515@att.net)

MEMORANDUM

TO: Incline Property Owners

FROM: Norman J. Azevedo

DATE: December 10, 2002

SUBJECT: Property Tax Assessments pursuant to Chapter 361 of the  
Nevada Revised Statutes

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***I. Introduction.***

At the request of the participants to our previous two meetings I have drafted this memorandum to memorialize our previous discussions. This memorandum is not intended to be an exhaustive analysis on the issues facing the Incline property owners. It is designed to give the interested property owners the opportunity to understand the property tax issues facing them and their available options. We have discussed the existing property tax system in Nevada as well as the potential changes that may result in the upcoming legislative session that may arise as a result of the Governor's Task Force on Tax Policy (Task Force). The existing property tax system does not require a valuation of property on the subject property's fair market value. The current system is a taxable value system which does not equate to fair market value. Improved property (e.g. private residences, office buildings, etc.) is valued by the respective county assessor by determining the land's fair market value and the improvements' replacement cost new net of all applicable depreciation. Depreciation is calculated at 1.5% per year up to a maximum of 50 years. The taxable value system was adopted in Nevada in 1981.

In addition to the statutory scheme in Chapter 361 of the Nevada Revised Statutes the valuation of property is governed by Article 10 section 1 of the Nevada Constitution. That section of the Nevada Constitution addresses the uniform and equal mandates addressed in almost every property tax case. This constitutional language restricts the Nevada Legislature, the Nevada Tax Commission and the local assessors in the adoption, regulation and administration of the ad valorem tax imposed on property in Nevada.

## **II. Incline Property.**

Real property by its very nature is not fungible. Real property because of specific attributes, location, topography, view, water rights, quality of improvements, etc. requires the respective local assessor to take into consideration the attributes of each parcel in the respective county to properly determine that property's taxable value as is required by NRS 361.227. Historically, the Washoe County Assessor (Assessor) has not properly addressed the attributes associated with the properties located in the Incline area given the constraints currently present in the Nevada Constitution and other existing law. Many of the residents in the Incline area have recently received assessment notices showing an increase in the land values on their respective properties. Increases in land values of this nature are generally unsupportable under the current statutory scheme.

At our last meeting a discussion occurred regarding the ability of a property owner to obtain relief on his respective property tax bill when the property's taxable value does not exceed its full cash value.<sup>1</sup> It was represented by a property owner that the Assessor has stated that until such time as a property's taxable value exceeds its full cash value, no relief may be afforded a taxpayer. Attached as Exhibit 1 is a copy of *Imperial Palace, Inc. v. State* 108 Nev. 1060 (1992). Please review footnote 10 on page 1065 which directly rejects the Assessor's statements in this regard.

## **III. The Governor's Task Force on Tax Policy.**

As we discussed, there is a strong likelihood that during the upcoming legislative session changes will occur to increase property taxes for all property owners. Two options have been discussed to date. First a legislative change may occur to increase the \$3.64 limitation contained in NRS 361.453. The other modification to the current appraisal system would be to modify or otherwise reduce the amount of depreciation required in NRS 361.227(1)(b). It is important to understand that if these changes occur each property owner's taxes will increase up to 40% without any further increases in the value of the respective subject property.

## **IV. Recommendation.**

At this juncture there are three options available to Taxpayers to address their current valuations as well the proposed changes being contemplated by the Task Force. The three options are as follows:

- 1) Administrative
- 2) Judicial
- 3) Legislative

### **A. Administrative Review.**

The administrative option is delineated in NRS 361.355 *et seq.* I would recommend all taxpayers review their current valuations at the Assessor's office to assure that the Assessor

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<sup>1</sup> Full Cash Value is defined in NRS 361.025 as the most probable price that property would bring in a competitive

market under all conditions requisite to a fair sale. For purposes of this memorandum I will equate full cash value to fair market value.

properly calculated the property's taxable value as required under the existing statutory scheme. Due to the large number of properties that an assessor handles there is a strong likelihood that errors have occurred in the determination of the subject property's taxable value. Moreover, due to the unique nature of the properties at Incline and the mass appraisal techniques utilized by the Assessor's office, errors in the determination in the subject properties taxable value are very common and could go undetected absent a detailed review. Failure to review your valuations by January 15, 2003 will forever preclude a property owner from addressing the issues which need to be addressed administratively for the 2003-2004 tax year.

### **B. Judicial Review.**

Specific issues cannot be addressed by the Washoe County Board of Equalization or the State Board of Equalization (constitutional, etc). In order to address the issues that are currently facing the Incline property owners a judicial action would be appropriate to address the inherent disparate tax treatment present in the existing NRS 361.227 which creates a non-uniform and non-equal method of assessment both as applied and on its face. In addition, there have been existing practices of the Washoe County Assessor's office and the Division of Assessment Standards within the Nevada Department of Taxation that are not consistent with state law. Backward looking relief would be appropriate in these instances and the respective Boards of Equalization are not permitted to consider cases that address issues for years that are before the current tax year.

### **C. Legislative Review.**

In addition because of the recommendations made by the Task Force, and the possibility of legislative changes that would increase the cap rate for property taxes or decrease allowable depreciation, I would recommend engaging the services of a lobbyist as necessary. A lobbyist will assure that the concerns of the Incline residents are brought to the attention of the Nevada Legislature.

### **V. Fee Structure**

The standard rate for the law firm of Azevedo & Guenaga is \$125 per hour. I have agreed that we would charge the standard rate subject to the following modifications and limitations:

Administrative Review:

Property owners would have the option of paying the standard hourly rate, or pay approximately 50% of our hourly rate, at \$60 per hour, plus 50% of tax dollars saved in the first tax year.

The review of each taxpayer's case would be done at this rate, with the amount of time for review to not exceed 4 hours.

Filing a petition with the Washoe County Board of Equalization would also be done at this rate, with the amount of time to not exceed 4 hours.

Handling the administrative hearing phase before the County Board would also be done at this

rate, with the amount of time to not exceed 4 hours.

Handling the administrative hearing phase before the State Board of Equalization would also be done at this rate, with the amount of time to not exceed 4 hours.

The rate for handling any technical support for a lobbyist would be the standard rate.

***VI. Conclusion***

I hope this information is helpful. I have also attached my resume and that of my partner, Elaine Guenaga. We look forward to representing your appeal. It is our understanding that it is the desire of all property owners to gain a degree of certainty over ones property taxes from year to year. We will be discussing this in grater detail as we progress through the appeal process.

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