

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

MONDAY

8:30 A.M.

FEBRUARY 26, 2007

PRESENT:

Pat McAlinden, Vice Chair
James Covert, Member
Benjamin Green, Alternate
John Krolick, Member*
Gary Schmidt, Member

Nancy Parent, Chief Deputy County Clerk
John Bartlett, Deputy District Attorney

The Board convened in the Washoe County Administration Complex, Health Department Conference Room B, 1001 E. 9th Street, Reno, Nevada. Vice Chair McAlinden called the meeting to order, the Clerk called the roll and the Board conducted the following business:

07-20E SWEARING IN OF ASSESSOR'S STAFF AND PETITIONERS

Michael Gonzales, Appraiser II, was sworn in by Deputy County Clerk Nancy Parent to present testimony before the Board of Equalization.

DISCUSSION

Vice Chair McAlinden mentioned a request from John and Cordelia Clark to move hearing LT-4 from February 26 to February 27, 2007. Mr. Clark announced he was present in the audience and withdrew his request to change the hearing date.

Vice Chair McAlinden asked legal counsel if there was a precedent for moving a hearing date once the agenda had been approved. John Bartlett, Deputy District Attorney, stated he did not believe so. Member Schmidt suggested a hearing could be opened the day it was agendized and continued to a later day. He was troubled by the reference to the agenda being approved and pointed out it had not been approved by the Board. Vice Chair McAlinden clarified the agenda had been posted and approved by the previous Chair. Member Schmidt opined that the Chair did not have the authority to create or approve the agenda and the Board should approve the agenda.

Vice Chair McAlinden discussed three petitioners listed on the agenda who had not submitted appeal forms, as noted by the Assessor's office. Chief Deputy Clerk Nancy Parent suggested it would be appropriate to deal with each petition as it came up on the agenda.

07-21E

**PRIOR YEAR PETITIONS – HEARING NOS. LT-52F06 AND
LT-46F06 – ARTHUR A & MARILYN L BERLINER AND ULRICH
PFAENDER – PARCEL NOS. 122-193-06 AND 125-172-09**

A petition for Review of Assessed Valuation for the 2006/07-roll year was received from Arthur and Marilyn Berliner protesting the taxable valuation on land and improvements located at 647 Martis Peak Dr, Incline Village, Washoe County, Nevada. The property was zoned MDS and designated single-family residence.

A petition for Review of Assessed Valuation for the 2006/07-roll year was received from Ulrich Pfaender protesting the taxable valuation on land located at 982 Tyner Way, Incline Village, Washoe County, Nevada. The property was zoned MDS and designated single-family residence.

Vice Chair McAlinden pointed out, under NRS 361.355, 361.356 and 361.357, the Board was only authorized to hear petitions for the current assessment year of 2007/08. Member Schmidt requested that the Board hear the Assessor's office address the petitions and added there were circumstances under which the Board could hear a prior year, such as on remand from the State Board of Equalization. Vice Chair McAlinden explained she had read previous minutes indicating the petitions had been heard and denied by last year's Board. She asked for clarification from legal counsel. Deputy District Attorney John Bartlett stated the Chair was correct. He pointed out the Board had no jurisdiction to hear the petitions since there was no indication they were on remand from the State.

On motion by Member Covert, seconded by Member Schmidt, which motion duly carried with Member Krolick absent, Vice Chair McAlinden ordered that the petitions on Parcel Nos. 122-193-06 and 125-172-09 be denied based on the Board having no jurisdiction to re-hear petitions heard in the previous year that were not remanded by the Nevada State Board of Equalization.

07-22E

ROLL CHANGE REQUESTS – DECREASES

Member Schmidt pointed out many of these requests represented circumstances wherein the Board could make changes to a prior year's tax roll. Discussion with appraisers Rigo Lopez, Gail Vice, Joe Johnson and Patrick O'Hair revealed none of these properties were located in Incline Village and these requests were made by the Assessor's office to correct clerical or factual errors in the tax roll. Mr. Johnson identified request numbers 156, 158 and 159 as factual errors because structures had been removed from the parcels. Mr. O'Hair identified request number 160 as a group of vacant parcels in Area One for which the 1.15 factor was not applicable because the new parcels had been valued according to the market in May 2005.

Following review and discussion, on motion by Member Green, seconded by Member Covert, which motion duly carried with Member Krolick absent, it was

ordered that the following Roll Change Request Nos. 154 through 160, resulting in decreases and placed on file with the Clerk, be approved for the reasons stated thereon.

RCR No.	Property Owner	Parcel No.	Decrease in Taxable Value	Tax Roll
154	Angela Baker, et al	085-610-52	Imp (\$3,080)	2006 Secured
155	John & Joan Demgen	152-381-10	Imp (\$132,194)	2006 Secured
156	Easy Living Homes, Inc.	017-231-17	Imp (\$15,146)	2006 Secured
157A	David Hamilton	009-092-21	Land (\$9,360) Imp (\$262,434)	2006 Secured
157B	David Hamilton	009-092-21	Imp (\$55,621)	2005 Secured
158	Easy Living Homes, Inc.	085-722-10	Imp (\$7,719)	2006 Secured
159	Easy Living Homes, Inc.	508-142-10	Imp (\$19,657)	2006 Secured
160	Taylor & Britta Samuels	049-751-03	Land (\$66,555)	2007 Secured
160	Michael Nelson	049-751-04	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-751-05	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-751-06	Land (\$68,850)	2007 Secured
160	Ian & Margaret Love	049-751-07	Land (\$66,555)	2007 Secured
160	Spanish Springs Investments, LLC	049-751-08	Land (\$64,260)	2007 Secured
160	Graham & Sonja Leonard	049-751-09	Land (\$59,670)	2007 Secured
160	Binh T. Nguyen	049-751-10	Land (\$59,670)	2007 Secured
160	William & Patti Castoe	049-751-11	Land (\$61,965)	2007 Secured
160	Legend Investments, LLC	049-751-12	Land (\$61,965)	2007 Secured
160	Legend Investments, LLC	049-751-14	Land (\$68,850)	2007 Secured
160	Gary Owens	049-751-15	Land (\$68,850)	2007 Secured
160	Earl & Patricia Kessler	049-751-16	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-751-17	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-752-11	Land (\$68,850)	2007 Secured
160	Steven T. Polikalas	049-752-12	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-752-13	Land (\$68,850)	2007 Secured
160	Anna L. Kelso	049-752-16	Land (\$100,980)	2007 Secured
160	Legend Investments, LLC	049-752-17	Land (\$73,440)	2007 Secured
160	Legend Investments, LLC	049-752-18	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-761-01	Land (\$68,850)	2007 Secured
160	Legend Investments, LLC	049-762-01	Land (\$87,210)	2007 Secured
160	James Hart	049-762-02	Land (\$87,210)	2007 Secured
160	Steven Hugill	049-762-03	Land (\$82,620)	2007 Secured
160	Robert & Sherrie Root	049-762-04	Land (\$78,030)	2007 Secured

07-23E ROLL CHANGE REQUESTS – INCREASES

***8:54 a.m.** Member Krolick arrived

Member Green asked about request number 125, which was a developer's parcel originally designated as common area but now listed for sale as a commercial property. He wondered if there was any recourse for the County to collect delinquent taxes on the property. Senior Appraiser Ron Sauer indicated the discovery had been

made late in 2006 and the Assessor's office was asking the Board to adjust value for the 2006/07 roll year and reopen the roll for 2007/08.

Following review and discussion, on motion by Member Green, seconded by Member Covert, which motion duly carried, it was ordered that the following Roll Change Requests resulting in increases, which were placed on file with the Clerk, be approved for the reasons stated thereon.

RCR No.	Property Owner	Parcel No.	Increase in Taxable Value	Tax Roll
125	Sky Vista Associates	550-020-18	Land (\$457,380)	2006 Secured
152	Larry Welch	086-260-15	Imp (\$398,710)	2006 Secured
153	Gary & Paula Glogovac	526-302-03	Imp (\$214,485)	2006 Secured

9:00 a.m. The Board took a brief recess.

9:14 a.m. The Board reconvened with five members present.

Vice Chair McAlinden explained that individuals involved in the previous hearing represented by the Village League to Save Incline Assets, Inc. who had a second petition on the same parcel before the Board were required to address specific property improvements not addressed in the consolidated hearing and present information other than that argued by the Village League. She reminded the Board they must consider the quality and weight of testimony and evidence presented by the petitioner and the Assessor's office at each individual hearing. Board members were to consider each case on its own merit and were required to disclose any relationship to the petitioners at the time their hearing was called.

07-24E HEARING NO. LT-49 – CLIVE & VERONICA DEVENISH –
PARCEL NO. 122-132-06

A petition for Review of Assessed Valuation was received January 16, 2007 from Clive and Veronica Devenish protesting the taxable valuation on land and improvements located at 563 Dale Drive, Incline Village, Washoe County, Nevada. The property was zoned MDS and designated single-family residence.

Rigo Lopez, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property.

Chief Deputy Clerk Nancy Parent swore in petitioner Clive Devenish. He submitted the following documents into evidence:

Exhibit A, comparable sales for the subject property.

Exhibit B, photos of the view from the subject property.

Mr. Devenish stated he purchased the house three years ago and paid a little more for his house than what most of his neighbors paid with similar square footage

and better views. He believed he was being taxed based on a view that existed ten years ago but no longer existed today. Mr. Devenish reviewed several photographs in Exhibit A, showing trees that now obstructed his view. He discussed comparable sold properties in Exhibit B to illustrate his belief that the tax assessment was high compared to the values and square footage of other houses sold in the last three years. The Petitioner did not think his purchase of the subject property should be used as a comparable sales price because he had probably paid too much for it at the time.

Member Covert asked about the lot size in relation to those of the neighbors. Mr. Devenish indicated there were approximately 0.5-acre lots throughout the neighborhood.

In response to Member Schmidt's question, Mr. Devenish stated he had not been involved in the consolidated hearings for the Village League residential property petitions.

Member Schmidt asked legal counsel about the Board's consideration if the appellant did not raise issues related to recent court rulings. Vice Chair McAlinden reminded Member Schmidt of the Petitioner's statement that he had not been part of the consolidated hearings for the Village League petitions. Deputy District Attorney John Bartlett commented that each case must stand on its own merits, it was up to the Petitioner to present his case to the Board, and the Board was to consider the Petitioner's and the Assessor's cases in deciding whether a change was appropriate. Member Schmidt noted the Petitioner had raised concerns about his view. Mr. Bartlett pointed out it was not known how the Assessor considered the view in his valuation because the Assessor's office had not yet presented their case. Member Schmidt referenced the view designation of 5.5 in the Assessor's records and asked if that gave the Board latitude to take the Supreme Court ruling into account. Mr. Bartlett responded the ruling was part of the law, which would be applied to every case heard.

Member Covert asked the Petitioner if he thought his property was assessed above market value. Mr. Devenish indicated he was not up to date on current market values. He reiterated his belief that he paid more than he should have when he purchased the house.

Member Schmidt commented that the Board had considered Member Covert's question inappropriate in past years because it was one of the two primary avenues of relief for petitioners. He explained the Petitioner had raised the issue of equalization during his presentation but the question of taxable value being greater than full cash value was not before the Board.

Mr. Lopez submitted the following documents into evidence for the subject property:

Exhibit I, Assessor's fact sheets including comparable sales, maps and subject's appraisal records.

Exhibit II, Assessor's packet dated February 8, 2007 with attachments A through J discussing legal issues.

Mr. Lopez described the Petitioner's single-family residence as having 4,725 square feet located on a view parcel with a detached 478-square-foot garage. He noted Mr. Devenish purchased the property in March 2005 for \$2,424,000 or \$513 per square foot. Mr. Lopez pointed out the Assessor's total valuation of \$1,745,023 or \$369 per square foot was far less than the overall values evidenced by comparable sales that ranged from \$513 to \$631 per square foot. He identified the Petitioners' purchase of the subject property as the best comparable available. Mr. Lopez did not feel comfortable evaluating the view from photographs, particularly those taken on a snowy day. He stated everything in the Assessor's evidence packet supported the current valuation of the Petitioner's property.

Member Covert asked how the Assessor's office dealt with views that changed over time. Mr. Lopez responded that, one year ago, an appraiser would have gone out to personally verify the view. He explained new regulations passed August 4, 2004 in NAC 361.118 now directed the assessor to take the view from the land. There had been some discussion about how to interpret "from the land" and how that might be reconciled with statutes directing assessors to value land according to market value. Mr. Lopez indicated the Assessor's office had historically followed the approach taken by market professionals, which would mean verifying the best view from the living areas.

Member Green asked if the view had been taken into consideration when the property was appraised. Mr. Lopez responded the overall taxable value of \$1,745,023 was supported by comparable sales but there had not been direct verification of the view since the 2002 appraisal.

Member Krolick asked why Mr. Lopez had chosen the Dorothy Court location as a comparable property. He believed properties on Dorothy Court would generally be considered more valuable than the subject property because of the striking views. Mr. Lopez countered that the comparable sales were supporting overall values, not just the land. He explained the comparable sales were selected for the least amount of adjustments one would have to take into consideration compared to the subject property. Mr. Lopez pointed out the subject property had a superior quality class of 8.0, compared to a quality class of 6.0 for the Dorothy Court property. He added that the sale of the subject property itself more than supported the assessed value. Mr. Lopez clarified the comparable sales included in Exhibit I had not been used to determine assessed valuation but were provided as supporting documentation.

Member Schmidt asked if the current taxable value for any of the Assessor's three comparable sales was identified anywhere. He indicated the three comparable properties could be used to support the assertion that taxable value was not greater than market value, but did not have any relevance to the issue of equalization. A discussion ensued between Member Schmidt and Mr. Lopez about the valuations on the Assessor's record card in Exhibit I. Mr. Lopez clarified that \$425,250 was the current

land value on the 2006/07 tax roll due to the rollbacks and the designation “REAP” next to the 2006 FV values did not necessarily mean the property had been reappraised but that improvements had been recalculated.

Member Covert clarified with the Petitioner that his primary contention related to the view classification being incorrect. Mr. Devenish indicated he would address that during his rebuttal.

Member Schmidt questioned Mr. Lopez about what interpretations could be applied to the regulation requiring assessors to take the view from the land. Discussion ensued about the practices of the Assessor’s office with respect to views taken from the land or within the buildings. Vice Chair McAlinden asked Member Schmidt several times to allow Mr. Lopez to answer the questions without interruption. Mr. Lopez pointed out that the Assessor must also take NRS 361.227 into account, requiring land to be assessed according to market value. He explained that one could not reach full market value by taking views strictly from the land and the base values established during the 2002 appraisals had taken views from the living areas. Member Schmidt asked Mr. Lopez if he was of the opinion that he did not have to follow the new regulations if he did not agree with them. Mr. Lopez stated that the Assessor’s office would follow the regulations put into place, just as it had always tried to do.

Member Covert asked if the regulation gave any direction as to where on a parcel one should stand to take the view. Mr. Lopez indicated the taxpayer would likely want the Assessor’s office to take the view from the lowest point on the property. Member Covert suggested that the regulation really offered no direction.

Josh Wilson, County Assessor, clarified the new regulations stated anywhere within the building envelope, which would be within the required setbacks on the property. Theoretically, he pointed out the Assessor’s office could take the view from the highest point possible but his office would not do that. He indicated his office would try to determine what the view was from the property based on in its current configuration.

Member Schmidt asserted the view category identified on the Assessor’s record sheet was obviously illegal. In response to Member Schmidt’s questions, Mr. Lopez stated the last time the view classification on the subject property was verified would have been during the 2002 appraisal. He was not aware of any requests for the Assessor’s office to go out to the property to verify the view since that time.

Mr. Devenish talked about the variability of individual sales within the economy of the marketplace, questioning whether some of those variations represented comparable sales. He indicated the view was not his sole contention. Mr. Devenish explained his research had been done on houses directly on his block, the block below and the block above. He stated this was evidence that his comparable sales were more relevant than those used by the Assessor’s office. Mr. Devenish likened his presentation

of comparable sales to an academic approach and the Assessor's presentation to guesswork.

Vice Chair McAlinden verified with the Petitioner that he had been given enough time to make his presentation.

Member Krolick asked the Petitioner if he was comfortable with the valuation of the improvements on his property. The Petitioner responded he was not comfortable with the overall tax he was paying compared to that of his neighbors but did not have the expertise to break it down into components. He added that if one stood in the middle of his lot and took the view from the land there would be nothing to see and that his photographs had been taken from the best vantage point in the living areas.

Mr. Lopez had no further rebuttal comments. He stated he would be more than happy to meet with Mr. Devenish at some future time to discuss sales comparables or other issues. Mr. Devenish indicated he called the Assessor's office the day he moved into his house and was talked out of challenging his taxes with the suggestion that his taxes might go up if the Assessor's office came out to take a look. Mr. Lopez stated it was not his practice to treat taxpayers that way and believed the staff in the Assessor's office made every effort to show respect and be as professional as possible with all taxpayers.

Member Green read from NAC 361.118, as quoted on page 17 of the Supreme Court's determination, "in making a physical appraisal, each county assessor shall determine the full cash value of the land by using market data or comparative market approach to valuation." He indicated that was why he asked the Assessor's office if they were appraising by the view or by comparative sales.

Vice Chair McAlinden closed the public hearing and brought it back to the Board for discussion.

Member Schmidt indicated that equalization was clearly the issue before the Board, stating the Assessor brought no evidence to counter the Petitioners' evidence. He pointed out the Petitioners' evidence had included the taxes for each of the comparable properties to support their concern about equalization with neighboring properties. Member Schmidt asserted the testimony of the Assessor's office demonstrated the use of illegal view classifications and failure to follow the 2004 regulations.

Member Schmidt made a motion, as finalized below, to adjust the taxable value of the land to equal the land value on the 2006/07-tax roll.

Member Krolick stated he would support the motion to grant the same relief to the Petitioners as that given to the Village League Petitioners.

Vice Chair McAlinden referenced page 21 of the Supreme Court decision, stating assessments were limited to Incline Village and Crystal Bay for the 2003/04-tax year and on page 22 the Supreme Court specifically said that refunds were based on the difference between the 2003/04 valuations and the 2002/03 valuations. Because of that, she thought the Board was premature in granting overall relief and she could not support the motion.

Member Green pointed out there was no testimony to indicate the view classification had been used to arrive at the assessed value for the subject property, but there was testimony that comparable sales were used for valuation.

Member Krolick discussed the Assessor's testimony that the Board should refer back to Wednesday's decision during the Village League consolidated hearing. He thought there was evidence to show the property's land value had been determined using illegal methodology and it was appropriate to grant the same relief as that given to the Village League Petitioners.

At Member Green's request, Ms. Parent reread the motion. Member Schmidt pointed out that rolling the value back to the current 2006/07 value was essentially the same as rolling it back to 2002/03. Vice Chair McAlinden asked for clarification about what value was on the current 2006/07 roll. Mr. Lopez noted the land value of \$425,250 for FV2002 on page 3 of Assessor's Exhibit I was currently the land value on the 2006/07-tax roll. He stated that the record cards in the Exhibit did not reflect the updated values for 2006/07 after they were rolled back to 2002/03.

Member Green stated Mr. Devenish was entitled to the same relief as that granted to the previous 900+ petitioners in order to achieve equalization. He expressed concern that this relief should not continue indefinitely, as that might put the entire County out of equalization.

Based on the evidence presented by the Petitioner and the Assessor's office, on motion by Member Schmidt, seconded by Member Krolick, which motion passed on a 3-2 vote with Vice Chair McAlinden and Member Covert voting "no," it was ordered that the taxable value of the land on Parcel No. 122-132-06 be adjusted to equal the land value on the 2006/07 tax roll. The Board found that, with this adjustment, the land and improvements were valued correctly and the total taxable value did not exceed full cash value.

07-25E HEARING NO. LT-34 – HOWARD M AMUNDSEN ETAL –
PARCEL NO. 122-132-17

A petition for Review of Assessed Valuation was received January 12, 2007 from Howard Amundsen and Stacy Stewart protesting the taxable valuation on land located at 529 Dale Drive, Incline Village, Washoe County, Nevada. The property was zoned MDS and designated single-family residence.

Rigo Lopez, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property.

Chief Deputy Clerk Nancy Parent swore in petitioner Howard Amundsen. He submitted the following documents into evidence:

Exhibit A, Packet containing copy of petition, letter outlining Petitioners' reasons for appeal, plat map identifying neighborhood properties, and Table 1 listing ratios of land taxable value to coverage.

Mr. Amundsen explained that his representative, Gary Taylor, had been unable to attend the hearing. He identified the eight neighboring properties provided for comparison as all being located on Dale Drive. The Petitioner's argument was based on the land's taxable value and the fact that the allowable coverage on his property was less than that of his neighbors. He pointed to Table 1 in Exhibit A to support his position. Mr. Amundsen used ratios of land taxable value (LTV) to coverage and compared the ratio for his property to the average ratio among his neighbors, translating that to a formula for reducing his 2002 land taxable value to \$277,870.

Member Schmidt asked if the slopes were similar on all the parcels used for comparison. Mr. Amundsen stated they were all downslopes and verified that the coverage was derived from the nature of the slope on each parcel. Member Schmidt asked about grandfathered coverage and Mr. Amundsen responded there probably was some grandfathered coverage as well.

In answer to Member Green's question, the Petitioner indicated he had removed an older home from the property after purchasing it.

Mr. Lopez submitted the following documents into evidence for the subject property:

Exhibit I, Assessor's fact sheets including comparable sales, maps and subject's appraisal records.

Exhibit II, Assessor's packet dated February 8, 2007 with attachments A through J discussing legal issues.

Mr. Lopez noted that the subject parcel had already been considered as part of the consolidated hearings for the Village League and the land value reduced to 2002/03 levels. He explained the land taxable value of \$243,000, designated 2006 FV on the Assessor's record card, was the value obtained after rolling it back to 2002/03 levels.

Member Schmidt asked Mr. Lopez if he would agree the Petitioner had raised some issues with respect to coverage that the Assessor's office might look at next year. Vice Chair McAlinden asked Mr. Schmidt to allow Mr. Lopez to finish his presentation before questioning him.

Mr. Lopez described the property as a single-family residence constructed in 2005. He referenced three comparable sales ranging from \$325 per square foot to \$510 per square foot in contrast to the overall taxable value of the subject parcel at \$288 per square foot. Mr. Lopez indicated the Petitioner purchased the property in April 2003 for \$630,000 and then demolished the older structure on the property a few months later to build a new one. Mr. Lopez acknowledged there had been insufficient data at the time of the 2002/03 reappraisals to make adjustments for differences in coverage. He stated the Assessor's office was currently gathering as much information as possible about coverage on Incline Village parcels for use in the upcoming reappraisals for 2008/09.

Member Covert agreed there was an issue with coverage and suggested that Mr. Lopez and Mr. Amundsen discuss an interim adjustment for the current year if it might have an impact on future years. Mr. Lopez stated he could not make adjustments for 2007/08 but was happy to take a look at information for 2008/09. He expressed concern about reducing the land value below its current amount of \$243,000. Mr. Lopez suggested the purchase price of \$630,000 in 2003 primarily represented the land value at that time.

Member Green asked Mr. Lopez if the valuation of land took coverage into account. Mr. Lopez responded that it did. Member Green wondered if the \$243,000 land value would be considered less than market value and Mr. Lopez agreed that it would.

Member Krolick stated it was undeniable that property had appreciated from 2002 values but the Board had been given no vehicle for addressing appreciation and its Incline Village decisions had thus far been based on the law. He thought this property fell under the same criteria as the other Incline Village parcels and, since it had already been reduced, the Board would need a motion for no further action.

Member Schmidt clarified with Mr. Lopez that the Assessor's office could not adjust 2007/08 values but would look at 2008/09 values with respect to the coverage issue. He agreed with Member Krolick that the Board was not dealing with real property values but with issues of law. Member Schmidt suggested he could support an additional 5 percent reduction on the land value of the subject parcel for purposes of equalization to other Incline Village properties based on issues with the view.

Member Krolick indicated he could not support a motion for further reduction. He stated the parcel already had more coverage than what conditions would currently allow in the Tahoe basin and thought the 2002/03 value was most appropriate.

Vice Chair McAlinden pointed out that the current land value of \$243,000 was \$34,000 less than Mr. Amundsen's request for a value of \$277,000.

Member Schmidt and Member Covert agreed with Member Krolick's position because any coverage issues would be dealt with in the reappraisal for 2008/09.

Vice Chair McAlinden verified with Mr. Lopez and Mr. Amundsen that they had been given enough time to make their presentations. Mr. Amundsen believed he still had an issue with respect to coverage. Member Krolick explained that the land value of the subject parcel had been determined based on what was there at the time of the 2002/03 appraisals, including the available coverage and the old structure subsequently demolished by Mr. Amundsen after purchase. The old structure had provided more coverage than what the parcel would be allowed under current Tahoe Regional Planning Agency (TRPA) regulations, adding more value to the Petitioners' future redevelopment. Member Krolick and Vice Chair McAlinden clarified the effect on Mr. Amundsen's property of the previous decision during the Village League consolidated hearing. Vice Chair McAlinden reiterated to Mr. Amundsen that the Assessor's office would look at the coverage issue during next year's reappraisals for the Incline Village area.

Vice Chair McAlinden closed the public hearing and brought it back to the Board for discussion.

Based on the evidence presented by the Petitioner and the Assessor's office and the finding that previous action for this parcel was taken on February 21, 2007, on motion by Member Krolick, seconded by Member Covert, which motion duly carried, Vice Chair McAlinden ordered that no further action was to be taken on Parcel No. 122-132-17.

**07-26E HEARING NO. LT-4 – JOHN B JR. & CORDELIA R CLARK –
PARCEL NO. 124-084-04**

A petition for Review of Assessed Valuation was received January 8, 2007 from John B Jr. and Cordelia R Clark protesting the taxable valuation on improvements located at 578 McDonald Drive, Incline Village, Washoe County, Nevada. The property was zoned MDS and designated single-family residence.

Rigo Lopez, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property.

Chief Deputy Clerk Nancy Parent swore in Petitioner John Clark. He submitted the following documents into evidence:

Exhibit A, letter dated 8/16/2006 from the State Board of Equalization to the Petitioner.

Exhibit B, letter dated 8/12/2006 from the Washoe County Assessor's office to the Petitioner.

Exhibit C, letter dated 8/31/2005 from the Washoe County Assessor's office to the Petitioner.

Exhibit D, letter dated 10/21/2005 from the Petitioner to the Washoe County Assessor's office.

Exhibit E, comparable sale information for 748 Allison Drive.

Exhibit F, letter dated 2/12/2006 from Drake Niven, General Building Contractor with attached information comparing subject property and 669 Tumbleweed Circle.

Exhibit G, analysis prepared by Washoe County Assessor's office of properties rated with a quality class of 5.0.

Exhibit H, detail for properties listed in Assessor's Exhibit I as comparable sales.

Mr. Clark indicated the primary reason for appeal on his property was the Assessor's assignment of a Marshall & Swift quality classification of 8.0. He stated his home was newer construction on a lot that was not equalized with similarly situated and improved properties in Incline Village or the State of Nevada. Mr. Clark asserted teardowns and time adjustments had been used that adversely affected his property and the entire area, and the Assessor could not use those methods after August 4, 2004.

The Petitioner referred to Exhibit A, a notification from the State Board of Equalization (SBE) that his 2006 hearing was to be rescheduled. Since the hearing had thus far not been rescheduled and the term expired October 1, 2006, Mr. Clark stated he had not been given due process before the SBE for the 2006/07-tax year. He was also confused about conflicting values on the Assessor's notice attached to Exhibit A.

Mr. Clark pointed out Exhibit B was evidence that County appraisers assigned a quality class of 8.0 based upon a visit to the property July 13, 2004 when, in their opinion, the property was 80 percent complete. He discussed Exhibit C, a letter indicating that appraisers Rigo Lopez and Ernie Wood had conducted only an exterior property inspection. Exhibit D contained a fax to the Assessor's office wherein Mr. Clark compared properties with a higher market value than his property, although their quality classes were 6.0 or lower. Mr. Clark stated he had received no response from the Assessor's office regarding his request for a reduction in quality class. He mentioned Exhibit E, containing comparable sales information for a property at 748 Allison Drive, which had a quality class of 5.5. Exhibit F was a letter from the contractor who built the home on the subject property, as well as a comparable home at 669 Tumbleweed Circle, stating they were built to the same standards. Mr. Clark pointed out that the Tumbleweed property had a quality class of 5.0. Mr. Clark reviewed an analysis provided by the Assessor's office in Exhibit G, containing details on two properties with quality classes of 5.0 and reflecting taxable values approximately 39 percent lower than that of his property. Petitioner's Exhibit H showed detail for properties listed as comparable sales in Assessor's Exhibit I, which Mr. Clark did not believe were comparable to his property. They appeared to him to have been selected as comparable solely because they also had quality classes of 8.0.

Member Schmidt asked if all of Mr. Clark's correspondence concerning the SBE appeal had been included in the exhibits. Mr. Clark indicated he had received a notice of hearing date, notice of postponement and notice of continuation, and had several conversations with Terry Rubald, Chief of the Division of Assessment Standards. Member Schmidt asked if Mr. Clark had granted permission for the State to continue his

hearing. Mr. Clark responded he had given no such permission. Member Schmidt asked Mr. Clark if he was aware of remedies under the law that relief was automatically granted if the hearing was not called on a timely basis. Mr. Clark stated he was aware of that but had been granted no relief and was waiting for word from the State before requesting relief. Vice Chair McAlinden asked Member Schmidt to focus on issues related to this County hearing.

As a matter of law, Member Schmidt asked legal counsel whether Mr. Clark was entitled to relief and the lowering of his quality class because his SBE appeal had not been heard. John Bartlett, Deputy District Attorney, indicated it was not his prerogative to comment on whether the appeal before the SBE had been permanently decided or not and pointed out the letter in Exhibit A would seem to indicate the SBE still had jurisdiction. He was not aware of any statute or case saying the SBE had to finally decide all cases before October 1, particularly if the case may have been opened during the season. Mr. Bartlett advised the Board to focus on the evidence presented for this year's appeal and to make their decision based on that information.

Mr. Lopez submitted the following documents into evidence for the subject property:

Exhibit I, Assessor's fact sheets including comparable sales, maps and subject's appraisal records.

Exhibit II, Assessor's packet dated February 8, 2007 with attachments A through J discussing legal issues.

Mr. Lopez described the subject property as having been built in 2003 and purchased by the current owners on February 16, 2005 for \$1,530,000 or \$450 per square foot. He stated the total taxable value on the Assessor's record had been \$1,085,833 or \$319 per square foot but the Board's decision at the Village League hearing on February 21, 2007 had reduced that further by putting the land value at \$172,500. Mr. Lopez directed the Board's attention to page 3 of Exhibit I, containing sales and transfer information that showed the subject property was sold as a vacant parcel for \$335,000 on October 5, 2001. He clarified that no time adjustment and no teardowns had been used to derive the land value on this parcel. Mr. Lopez referenced page 1 of Exhibit I, listing the purchase price of the subject property and two other comparable sold properties located in the same neighborhood. He contrasted the comparable sold properties ranging from \$450 to \$476 per square foot with the subject property's total taxable value of less than \$319 per square foot.

With respect to the confusion over values listed on Petitioners' Exhibit A, Mr. Lopez clarified that values on the printout for LT-4 reflected those prior to the adjustment of 2006/07 land values back to 2002/03 values. The values shown for hearing LT-415 DUP reflected the adjusted land value, which was a 35 percent reduction.

Mr. Lopez explained the Assessor values property as of July 1 of any given year, so if a residence under construction was 50 percent complete as of that date,

the owner would pay based on that valuation for the entire tax year. He stated the letters to Mr. Clark in Exhibits B and C estimated the residence to be 80 percent complete after July 1, 2004 based on an external inspection. This meant that Mr. Clark paid taxes on a valuation of 80 percent completion for that tax year and would have been considered 100 percent complete for the following tax year. Mr. Lopez indicated the quality class of 8.0 was determined in 2004 after consideration of the external inspection, discussions with the builder and previous property owner, and review of the plans. He added that a construction letter on the subject property was returned by the previous owner, showing the Assessor's improvement value of \$705,781 to be well below market value based on cost information provided by the developer of the property. Mr. Lopez likened the comparable Tumbleweed property, constructed by the same builder and identified in Exhibit F, to a "glorified box" when compared to the configuration of the subject property, which was "custom cut and fit". He added that interior inspection of the subject property was later scheduled and completed by Ernie Wood and Ivy Diezel, who accepted the quality class of 8.0 as justified. Mr. Lopez stated he was comfortable with the quality class and values assigned to the subject property.

Member Green asked how many quality classifications were listed in Marshall & Swift. Mr. Lopez indicated there were two Marshall & Swift residential handbooks, one containing quality classes 1.0 through 6.0 and a high-value residential book containing quality classes 7.0 to 12.0. He explained the high-value book was no longer being published. Member Green asked what classification might be applied in one of the higher quality tract homes and Mr. Lopez responded approximately 4.0.

Vice Chair McAlinden asked what classification might be assigned to the Lennar homes in Golden Valley. Mr. Lopez stated he had not been in those specific homes but estimated 3.0 or 4.0 was typical for mass-produced homes. He added semi-custom homes in an area like Arrow Creek would be higher, possibly 5.0 or 6.0, and would be looked at on a more individual basis. Member Covert wondered if that would also apply to a development like the Estates at Mount Rose, where the owner chooses a floor plan and then customizes the interior. Mr. Lopez believed they were classified lower than Mr. Clark's residence, although he had not done appraisal work there.

Member Covert inquired how the percentage of completion was determined. Mr. Lopez commented there was a section of useful information in the Marshall & Swift manual that broke down a single-family residence into percentages for items such as framing, foundation, installation of windows and electrical. He stated the Assessor's office would contact the developer and also do an inspection to estimate the percentage. Member Covert asked how the interior was taken into account when the appraiser could not get inside. Mr. Lopez responded that the Assessor's office did the best it could from the exterior inspection and a review of building department inspections that were on record. Member Covert questioned how the Assessor's office dealt with differences in the interior when floor plans were similar. Mr. Lopez indicated it was based on experience in working with high-value custom and semi-custom homes. He again referenced the comparison between properties built by the same builder, explaining

the subject property had more complex rooflines that would result in bigger expenses for plans, additional windows, additional cabinetry and so forth.

Member Green asked Mr. Lopez to elaborate on his statement that the comparison property on Tumbleweed was just a box. Mr. Lopez stated he was taking much of that from conversations with the developer and previous owner, repeating their comment that the Tumbleweed property was basically a “glorified box”. He added the Tumbleweed property did not take as much time to build as the subject parcel, which had taken up to two years to complete. Mr. Lopez pointed out that Mr. Clark had presented this information to the County Board of Equalization last year and they upheld the improvement value at that time.

Member Schmidt stated he was confused by the references to sales comparisons and asked if sales were used in the determination of quality classification. Mr. Lopez responded that quality classification was based on the on-site inspection and nature of the construction.

Member Schmidt inquired if there was any reference in Marshall & Swift to building configurations, or if the handbook used materials and square footage to determine quality classification. Mr. Lopez indicated that Marshall & Swift addressed materials and also gave some other guidelines regarding things like the number of fixtures. He added that appraisers were educated to take into account the difference in things such as rooflines, number of windows and interior finish. Member Schmidt asked if the law restricted the Assessor’s office to Marshall & Swift in evaluating quality classification. Mr. Lopez responded that it did. Member Schmidt expressed concern that Marshall & Swift no longer published the high-value residential handbook and wondered if it was still applicable. Mr. Lopez indicated the last publication of the high-value handbook was in 2002 and the residential handbook referencing quality classes 1.0 through 6.0 was still in print. Member Schmidt clarified with Mr. Lopez that the Assessor’s office was still using the 2002 high-value book.

Member Schmidt clarified with Mr. Lopez that an interior inspection had in fact been conducted subsequent to the exterior inspection referenced in Exhibit B.

Member Schmidt asked how items addressed in Marshall & Swift such as floor coverings, siding, roof, foundation and insulation compared between the subject property classified as 8.0 and the Tumbleweed property classified as 5.0. Mr. Lopez acknowledged that a lot of the same materials were used for both of the properties. He commented that the big picture would take custom cut and fit into consideration, as well as the additional interior finish for a bigger home. Member Schmidt asked Mr. Lopez to identify the portion of Marshall & Swift that took into account what he had identified as a box versus a custom cut and fit. County Assessor Josh Wilson offered to go get the residential manual for verification. He indicated that he could speak very clearly to the commercial manual, which clearly said there was a multiplier used to determine standard versus irregular shapes. Mr. Wilson commented that classes by the International Association of Assessing Officers on Marshall & Swift taught that a more complex

footprint was more extensive to build and therefore translated into a higher quality property. Member Schmidt admitted that made perfectly good sense but wanted to have the criteria before him because he believed it was the only point at issue for this appeal. He questioned where Marshall & Swift justified an additional 2.5 points in quality classification based on the difference between a box shape and a custom cut and fit. Mr. Lopez responded that the manuals did contain photo illustrations as guidelines for the quality class of a residence but there was no equation, just the appraiser's professional opinion. Member Schmidt reiterated his desire to see the guidelines in evidence to justify more than a 50 percent adjustment based on the shape. Mr. Lopez stated it was not just the shape but all the factors and plans that would be taken into consideration when comparing a 2,000 square-foot home with one that was 3,400 square feet.

In rebuttal, Mr. Clark stated that the guideline was arbitrary; that the Assessor's office came up with a quality class of 8.0 based on a walk-around at 80 percent complete and did not want to change the class after internal inspection because of inertia. He added his reference to sales comparables was a response to those presented by the Assessor and his comparables were more similar to the subject property in quality of construction, square footage and sales price, although their quality classifications were much lower. Mr. Clark clarified that the Tumbleweed property was actually 2,768 square feet, compared with 3,400 square feet for the subject property. He suggested the Board look at the photographs in Exhibit F, indicating the Tumbleweed property was not that boxy and had similar angles and peaks on the roof, with some bay windows as well. He remarked that Mr. Lopez had acknowledged in his testimony the similarities between interior cabinets, finish and materials for both properties. Mr. Clark pointed out that quality classification outside of Incline Village was not relevant, only equalization with similarly situated properties in Incline Village. He thought the comparable properties selected by the Assessor and detailed in Exhibit H were not truly comparable except for their quality classification of 8.0. Mr. Clark again highlighted his two comparable properties in Exhibits E and F with quality classifications of 5.0 and 5.5. In closing, he requested a quality rating of at least a Marshall & Swift 5.0 for the tax years of 2004, 2005, and all subsequent years, as well as a refund for the difference in past years.

In response to a question by Member Green, Mr. Clark stated that the Tumbleweed property was in escrow and, according to the agent, had recently sold for \$1,400,000. Member Green wondered if that would tend to support the Assessor's value on the subject property since Mr. Clark suggested it was equal to his home in quality but had smaller square footage. Mr. Clark stated the property was in a different neighborhood and at a higher elevation, although it was on a smaller lot with a smaller house. He observed the relevant issue was the quality of construction, which was the same in both homes as indicated by the developer in Exhibit F.

Member Krolick asked if Mr. Clark would agree, from an architectural, engineering and design aspect, that there was a substantial difference between his property and the Tumbleweed property. Mr. Clark noted he could agree it cost more to build his home because it was larger and required more materials but would not agree that the quality of materials was any different between the two properties. Member

Krolick inquired, from a usability or functionality standpoint, if Mr. Clark's property would lend itself to better quality of use. Mr. Clark indicated he was not a real estate professional and could not give an opinion.

Member Schmidt asked legal counsel if the Marshall & Swift high-value handbook that was no longer in publication could be incorporated into the record by reference. Mr. Bartlett responded that it was not the actual manual that was in evidence but the Assessor's testimony that he used the manual consistent with the way it was supposed to be used, which was as a guideline to come up with a value on improvements as required by a law that the manual be used. He commented the actual manual itself was not law but it was used as mandated by law, and he was not sure if it was necessary to introduce the manual into evidence every time there was an issue referring to it. Member Schmidt stated it was therefore up to the Board to determine whether the Assessor's testimony was sufficient and whether he should have had portions of the manual he referred to in general terms admitted into evidence.

Member Krolick asked if the Marshall & Swift handbook for high-value properties was used uniformly in whatever case it was used. Mr. Lopez stated that it was the manual used for all the homes such as those in Montreaux, Arrow Creek or Incline Village.

Vice Chair McAlinden verified that the Petitioner and Assessor's office had been given sufficient time to make their presentations. She closed the public hearing and brought it back to the Board for discussion.

Member Schmidt stated his belief that the Assessor's testimony was sufficient and common sense dictated there would be a difference in cost and thus in quality class between a simple box and custom fit. He did not, however, believe that the comparable property was a simple box and was concerned that the difference between a quality classification of 5.0 and 8.0 was substantial, resulting in greater than a 50 percent increase. Member Schmidt indicated he could not support the difference without specific evidence that would be appropriate under Marshall & Swift, although he could support something greater than 5.0 and less than 8.0.

Member Green thought there was no greater indication of value than what a knowledgeable buyer was willing to pay and a knowledgeable seller was willing to accept for a property. Given that Mr. Clark paid \$1,500,000 and the property with less square footage he used as a comparable sold for \$1,400,000, he was in favor of upholding the improvement value independent of any difference in quality class.

Based on evidence presented by the Petitioner and the Assessor's office and the finding that improvements were valued correctly and the taxable value did not exceed full cash value, on motion by Member Covert, seconded by Member Green, which motion passed on a 4-1 vote with Member Schmidt voting "no," Vice Chair McAlinden ordered that the taxable value of the improvements on Parcel No. 124-084-04 be upheld.

12:27 p.m. The Board took a brief recess.

1:15 p.m. The Board reconvened after lunch with five members present.

07-27E **CLERK'S LETTER – AGENDA ISSUES FOR FEBRUARY 28, 2007**

Chief Deputy Clerk Nancy Parent read into the record her report and Washoe County Clerk Amy Harvey's letter dated February 26, 2007 in response to inquiries at the February 23, 2007 meeting concerning placing an equalization item on the February 28, 2007 agenda.

Member Schmidt felt it would be appropriate to provide copies of the February 23rd tape to all of the Board members to review. Vice Chair McAlinden replied she did not want to listen to a copy of the tape, but it was Member Schmidt's prerogative to do so.

In response to Member Schmidt, Ms. Parent replied former Chair Sparks was not contacted because staff listened to the tape, which was the record of the meeting.

Member Schmidt discussed remarks made by John Sherman, Washoe County Finance Director, at a State Board of Equalization meeting that indicated an equalization meeting was scheduled.

07-28E **HEARING NO. LT-46 – PFAENDER, ULRICH –
PARCEL NO. 125-172-09**

A petition for Review of Assessed Valuation received from Ulrich Pfaender, protesting the taxable valuation on land and improvements located at 982 Tyner Way, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated single-family residence.

Gail Vice, Appraiser III, duly sworn, oriented the Board as to the location of the subject property.

In response to Member Covert, Appraiser Vice replied it appeared from the map Tyner Way was accessed through a private easement.

Ulrich Pfaender, Petitioner, was sworn and submitted the following documents into evidence:

Exhibit A, Petitioner's letter to the Washoe County Board of Equalization dated February 11, 2007 with attachments.

Petitioner Pfaender testified about a District Court decision that gave a neighbor the right to come onto his property to cut trees.

Member Green stated he went through Petitioner Pfaender's packet and much of what the Petitioner addressed was not something the Board could do anything about. He explained the Board could only address the Petitioner's taxes. Petitioner Pfaender requested his taxes be temporarily reduced a little bit.

Appraiser Vice submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 8.

Appraiser Vice stated the subject property's land value was not rolled back to the 2006/07 valuation. She reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value.

In response to Member Covert, Petitioner Pfaender replied the garage was still there, but it was red tagged; and he explained the situation. Appraiser Vice indicated the garage being red tagged might be why it did not show on the Assessor's record of the property. Petitioner Pfaender said he had just received approval on new plans for the garage.

A discussion ensued about the lack of a garage making it hard to come up with adequate comparable sales. Appraiser Vice stated there was one comparable sale for 2006 that did not have a garage.

In response to Member Schmidt, Appraiser Vice confirmed the V6 view reference referred to the methodologies addressed in the Nevada Supreme Court ruling.

In rebuttal, Mr. Pfaender reiterated he now had the permit for the garage. Member Krolick indicated Mr. Pfaender's issue was a civil matter rather than a taxation issue.

The Vice-Chair closed the hearing.

Member Schmidt noted the property had view categories that were addressed in the Supreme Court ruling and, based on previously offered advice by counsel, he was taking quasi-judicial notice of that ruling. He said he would support a motion moving the land value back to that of 2006/07 on the basis of equalization and the adverse admission of the Assessor's Office in submitting the evidence packet.

After further discussion, Member Schmidt withdrew his reference to the view because there was an equalization problem he would like to adjust.

Member Green stated based on it being a 3,000 square foot house, there was no problem with the improvements. He indicated Mr. Pfaender should be afforded the same consideration as that afforded to the other people from Incline Village.

Member Covert stated the issue was not the land but the garage being an impairment to Mr. Pfaender's property. He said he could not support the motion.

Member Krolick said Petitioner Pfaender had a permit for a carport, and it appeared from the documentation that one of his neighbors was trying to sway the Building Department that the carport was converted into a garage without proper permits. He reiterated that was not a taxation issue but an issue for the courts.

Vice Chair McAlinden stated she could not support a motion based on the Supreme Court ruling because it referred to the 2003/04-tax year. She explained the refunds for the 17 property owners were based on the difference between the 2003/04 valuation and the 2002/03 valuation. She said she could support other adjustments to Mr. Pfaender's property.

Member Schmidt indicated he could support a motion based on equalization, and he discussed the equalization issue.

Based on the evidence presented by the Assessor and the Petitioner, on motion by Member Green, seconded by Member Schmidt, which motion duly carried with Vice Chair McAlinden and Member Covert voting "no," it was ordered that the assessment be reduced "to the 06 level or, if you will, the 2002 level as was done" by the Board with "the other Incline properties."

07-29E HEARING NO. LT-92 – DYKSTRA, JAMES A & JANE E –
PARCEL NO. 130-205-19

A petition for Review of Assessed Valuation received from James A. & Jane E. Dykstra, protesting the taxable valuation on land and improvements located at 1092 Flume Road, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated single-family residence.

Joe Johnson, Appraiser, duly sworn, oriented the Board as to the location of the subject property.

James Dykstra, Petitioner, was sworn and submitted the following documents into evidence:

Exhibit A, Letter to the Washoe County Board of Equalization dated January 12, 2007 with attachments.

Petitioner Dykstra testified his property was under a long-term lease. He stated it was always assessed as if it was a primary residence or a second home and it was neither, as his primary residence was three miles away from this property. He discussed what he felt was the appropriate method for appraising the subject property, which he detailed in his letter, Exhibit A. He also discussed not being able to take advantage of the

3 percent cap, how overvalued the property was for assessment purposes, and what that meant to him.

Appraiser Johnson submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 8.

Appraiser Johnson stated the subject property was rolled back for 2006 but was not one of the properties involved in the rollback for 2007. He reviewed sales of comparable properties substantiating that the Assessor's total taxable value does not exceed full cash value. He further testified that views were not a factor used in the Mill Creek subdivision. He explained the capitalization rate was not used on single-family residences in the County whether or not the residences were rented, and there was no distinction between a single-family or primary residence. He said the use of a capitalization rate would be appropriate for apartments bought and sold for investment purposes.

Appraiser Johnson indicated a gross-income multiplier was done using two sales of income properties with the value range from \$768,840 to \$933,960, which was well above the total taxable value of \$504,695 on the subject property.

In response to Vice Chair McAlinden, Appraiser Johnson said the same method was used to value the subject property as was used for other single-family residences that were not multi-family houses of two or more units or apartment houses of greater than four units.

In response to Member Schmidt, Appraiser Johnson replied single-family homes, duplexes, and triplexes were valued at the land value plus the cost to replace improvements. He said that value was supported by the income approach.

Member Schmidt asked if the income approach was used for five units or more. Josh Wilson, Assessor, explained all property in the State of Nevada was valued in accordance with Nevada Revised Statute (NRS) 361.227 using the market value of the land plus the depreciated replacement cost of improvements. He clarified the income approach was only used if the normal approach produced an excessive valuation.

In response to Member Schmidt, Appraiser Johnson replied he could not dispute the Petitioner's testimony that the subject property was a rental.

Member Schmidt indicated there was a provision in the law that property was to be valued according to its use. Mr. Bartlett read NRS 361.277(1a2). Member Schmidt asked if it applied in this case. Mr. Bartlett replied the issue was whether the land was being valued consistent with the use of the improvements. He said improvements were governed by subsection 1b, which was the cost of replacement less depreciation.

Member Green said it sounded like that was something the Assessor's Office would have to do. Mr. Wilson replied the land was valued as a residential single-family site and the improvement on the land was a single-family dwelling. He felt the subsection applied to areas where the current zoning allowed for commercial use such as downtown Reno or along Rock Boulevard in the City of Sparks. He explained the property had to be valued as to its improved use. He said whether the subject property was rented or owner occupied was irrelevant because the property was valued as a single-family site.

After discussion about the cap rate, Member Krolick stated he could not put a cap rate on rental property at Incline Village because typically residential properties there were not bought for cash flow but for appreciation. He indicated from the standpoint of highest and best use, the use was not the highest and best use for the location. He said there was considerable testimony over the years on how reallocating property for different uses drastically affected the taxable value of the property.

Mr. Wilson said that meant if the property was listed for sale, it would be listed as a single-family residence not a rental, which was typical for Incline Village.

In response to Member Covert, Mr. Wilson replied the zoning was the same for the subject property as it was for any other single-family residence in Incline Village.

After further discussion and in response to Member Schmidt, Mr. Wilson said the Attorney General's (AG) opinion referenced improved land, and he explained the case involved in the opinion. Member Schmidt indicated the documentation provided to the Board only had the NRS's and not the AG opinions. Mr. Bartlett said AG opinions had no greater weight than any other lawyer's opinion and were meant as guidance on an issue of law but were not binding on any court.

In response to Member Covert, Petitioner Dykstra verified only one family lived in the house on the subject property.

Member Schmidt said the Petitioner had raised an interesting issue. He stated he was not convinced the 8 percent cap rate was appropriate, and he discussed capitalization rates for investment properties. He said he was intrigued by the argument that this should be treated as a rental property, and he was not convinced otherwise so far.

Member Krolick read Nevada Administrative Code (NAC) 361.118, line C, which stated "if the subject property was improved land, the comparable properties must have a use consistent with that of improved land." Member Schmidt said that meant the comparable properties had to be rentals. Mr. Wilson indicated Appraiser Johnson's packet had two improved properties that were rented upon sale. He discussed the range of value of those properties. A discussion ensued on what changing the cap rate would mean.

In response to Member Schmidt, Appraiser Johnson replied the comparables were currently rented, but he did not know how long they had been rented.

In rebuttal, Petitioner Dykstra said the testimony by the Assessor's Office explained their policy while being weak on the law. He explained why he felt that some of the comparable properties were purchased with the intent by their owners to eventually turn them into primary residences, while the subject property was purchased for use as a rental. Petitioner Dykstra said the State made the rental distinction when the cap rate was determined based on whether or not a property was a rental, and he asked State law be applied. He stated it was illogical that the Assessor's Office assessed the property as a primary residence or a second home, but the cap was applied treating it as a rental property. He felt 8 percent was a reasonable cap rate in today's market.

Member Covert stated the Petitioner must provide the preponderance of evidence. He asked if the Petitioner could quote a statute that backed up his position. Petitioner Dykstra replied the land value was supposed to be based on the use of the property, and it was used as a business.

In response to Member Schmidt, Petitioner Dykstra replied he did not have to obtain a business license because he did not have more than three rental properties.

Member Green explained the difference between a cap rate and a rate of return. He asked what would happen to the house if the Petitioner no longer wanted to be in the rental business. Petitioner Dykstra replied he could not be forced by law to change the use of the property, and it would depend on the purchaser if he put it on the market.

Member Schmidt said the Petitioner's arguments were convincing; however, the Assessor's two improved sales indicated the appropriate valuation would be greater than that of 2006/07.

Petitioner Dykstra felt the Board was taking a bad public policy stance, which would cause rental housing to disappear in Incline Village. He said the assessment should be done according to State law and not an arbitrary policy.

The Chair closed the public hearing.

Member Schmidt felt it was appropriate to adjust the land value based on equalization to the 2006/07 current taxable value because the subject property was in Incline Village and had not been included in the rollback.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Green, seconded by Member Covert, which motion duly carried with Members Krolick and Schmidt voting "no," it was ordered that the Assessor's appraisal be upheld for Hearing LT-92, James A. & Jane E. Dykstra, APN

130-205-19. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

07-30E HEARING NO. LT-62 – LOWE, TODD A & JANET H TR -
PARCEL NO. 122-162-09

A petition for Review of Assessed Valuation received from Todd A. & Janet H. Lowe TR, protesting the taxable valuation on land and improvements located at 77 Shoreline Circle, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned MDS and designated single-family residence.

Gary Warren, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property.

Attorney Suellen Fulstone, duly sworn, submitted an authorization to represent the Petitioners during Hearing LT-62 and the following documents into evidence:

Exhibit A, Petitioner argument with exhibits.

Ms. Fulstone acknowledged the Lowes obtained relief in the Incline Village to Save Incline Assets, Inc. consolidated hearing and were not seeking additional relief by this petition. She stated the Lowes submitted the petition because of unique facts dealing with their property and, in the event the decision in the consolidated matter was not upheld, they would pursue this matter individually. Based on a motion made this morning, she understood the Board was not inclined to decide these individual petitions where the relief sought was on different grounds but was basically the same ultimate relief as granted during the consolidated hearing. She expected the Board would be consistent with all of these similar cases.

Appraiser Warren submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 8.

Appraiser Warren said he could not respond to Mr. Lowe's packet, because the Assessor's Office had not received it. After being given a copy of the packet, Appraiser Warren indicated he needed time to look at the packet to see what issues the Petitioner addressed. Ms. Fulstone indicated Mr. Lowe's packet presented specific arguments with respect to his property and the 2003/04 base value.

Vice Chair McAlinden said she had stated in the beginning that to have an individual hearing anyone in the Incline League consolidated hearing must have specific elements that needed to be addressed. Ms. Fulstone stated she understood the initial decision was the people who had filed individual petitions could pursue their individual arguments, such as a comparable sale does not work because it was in the wrong area and

so on. She said there might be some overlap, but the purpose of the Petitioner's packet was to address individual issues having to do with his property. Vice Chair McAlinden replied any overlap could not be addressed.

Josh Wilson, Assessor, said he understood that this was information intended to be given to the State Board of Equalization (BOE) in case the decision on the common issues was overturned. He said the information should be made part of the record so the individual property characteristics could be addressed if the State BOE reduced the rollback.

In response to Vice Chair McAlinden, Mr. Wilson replied there would be plenty of time to review the packet before the State BOE hearings.

The Vice-Chair closed the hearing.

Based on the evidence presented by the Assessor's Office and the Petitioners, Member Schmidt motioned that the relief granted in the consolidated hearing of February 21, 2007 be reaffirmed but no additional relief be granted; and, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value. Member Krolick seconded the motion.

Vice Chair McAlinden said she could not support the motion because of adding the word "reaffirm." She stated she did not approve the consolidated motion and could not vote in favor of Member Schmidt's motion unless it was reworded.

After further discussion, Member Krolick withdrew his second.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Schmidt, seconded by Member Krolick, which motion duly carried, Vice Chair McAlinden ordered that no additional relief be granted beyond that granted in regards to the land value during the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007 for Hearing No. LT-62, Todd A. & Janet H. Lowe TR, APN 122-162-09. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

2:45 p.m. The Board took a brief recess.

2:56 p.m. The Board reconvened with five members present.

07-31E **HEARING NO. LT-70 – BARTA, LESLIE P -**
PARCEL NO. 125-232-24

A petition for Review of Assessed Valuation received from Leslie P. Barta, protesting the taxable valuation on land and improvements located at 812 Jeffrey

Court, Incline Village, Washoe County, Nevada, was set for consideration at this time. The property is zoned HDS and designated single-family residence.

Rigo Lopez, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property and submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 9.

Appraiser Lopez indicated this parcel was part of the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007.

Attorney Suellen Fulstone, duly sworn, submitted an authorization to represent the Petitioner during Hearing LT-70. She said Mr. Barta was not seeking any additional relief beyond that granted during the consolidated hearing of February 21, 2007. She commented Mr. Barta was one of the original 17 plaintiffs in the Bakst matter in the District Court and one of the prevailing respondents in the Bakst matter at the Supreme Court, which put Mr. Barta in a unique position and was the basis for his individual petition.

Appraiser Lopez stated the Assessor's Office stood by its written presentation of sales of comparable properties that substantiates the Assessor's total taxable value does not exceed full cash value.

Member Schmidt suggested making a motion to consolidate any remaining Incline Village properties. Mr. Wilson suggested hearing those petitioners present that wanted to discuss their individual issues and then discuss consolidation. He stated not all of the remaining cases were rolled back as part of the consolidated hearing.

The Vice-Chair closed the hearing.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Schmidt, seconded by Member Covert, which motion duly carried, Vice Chair McAlinden ordered that no additional relief be granted beyond that granted in regards to the land value during the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007 for Hearing No. LT-70, Leslie P. Barta, APN 125-232-24. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

07-32E HEARING NO. LT-67 – INGEMANSON, LARRY D & MARYANNE B TR – PARCEL NO. 130-241-21

A petition for Review of Assessed Valuation received from Larry D. & Maryanne B. Ingemanson TR, protesting the taxable valuation on land and improvements located at 1165 Vivian Lane, Incline Village, Washoe County, Nevada, was set for

consideration at this time. The property is zoned HDS and designated single-family residence.

In response to Member Schmidt, Rigo Lopez, Senior Appraiser, indicated this was the only remaining petition that was part of the February 21, 2007 consolidated hearing.

Gary Warren, Senior Appraiser, duly sworn, oriented the Board as to the location of the subject property and submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record, pages 1 through 8.

Attorney Suellen Fulstone, duly sworn, submitted an authorization to represent the Petitioners during Hearing LT-67 and the following documents into evidence:

Exhibit A, Petitioner exhibits.

Ms. Fulstone said the Petitioners were not seeking any additional relief beyond that granted during the consolidated hearing of February 21, 2007, and the exhibits addressed comparable sales with respect to the Petitioners' property.

Josh Wilson, Assessor, asserted he had not made the statement attributed to him that lakefront properties should have a land to building ratio similar to that of a tract subdivision. He said the County and the Nevada Department of Taxation had conducted studies that showed the building ratio on a lakefront property was significantly higher. He recalled the Department of Taxation study indicated 81 percent of the total value was in the land.

Appraiser Warren stated the Assessor's Office stood by its written presentation of sales of comparable properties that substantiates the Assessor's total taxable value does not exceed full cash value.

After a lengthy discussion, John Bartlett, Legal Counsel, stated he understood the taxpayers were to be given the opportunity to address whatever issues were unique to their parcel, while the Village League represented them on the common issue, which contained the full record. He said it was not necessary to incorporate the exhibits from the common issue decided on February 21st into today's individual hearings.

After additional discussion regarding sending two decision letters, Mr. Bartlett indicated that was why his suggested motion was to deny any further relief. He said that would not allow today's decision letter to be used as an alternate appeal.

In response to Vice Chair McAlinden, Ms. Fulstone indicated she wanted to supplement this record with the basic information and with what the Assessor's Office was submitting, such as the valuation history, which might be enough to give the State Board of Equalization a complete record.

Mr. Wilson confirmed the exhibits entered today would be tied only to today's hearing numbers and those of the common hearing would be tied only to that hearing.

The Vice-Chair closed the hearing.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Schmidt, seconded by Member Covert, which motion duly carried, Vice Chair McAlinden ordered that no additional relief be granted beyond that granted in regards to the land value during the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007 for Hearing No LT-67, Larry D. & Maryanne B. Ingemanson TR, APN 130-241-21. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**07-33E HEARING NOS. LT-11 – COOPER, J CARL & LORELEI M TR,
LT-58 – MCNULTY, BRUCE A & MARIAN TR**

A petition for Review of Assessed Valuation received from J. Carl & Lorelei M. Cooper TR and Bruce A and Marian McNulty TR, protesting the taxable valuations on land and improvements for properties located at Incline Village, Washoe County, Nevada, was set for consideration at this time. The properties are zoned MDS and designated single-family residences.

On motion by Member Schmidt, seconded by Member Covert, which motion duly carried, Vice Chair McAlinden ordered that Hearing Nos. LT-11, J. Carl and Lorelei M. Cooper TR, and LT-58, Bruce A. & Marian McNulty TR, be consolidated.

Josh Wilson, Assessor, said his office stood on its written presentation. He understood these properties were rolled back as part of the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007.

Vice Chair McAlinden said neither petitioner was here, and she read the notations on each petition as to why they were submitted.

Gary Warren, Senior Appraiser, submitted the following documents into evidence for Hearing Nos. LT-11 and LT-58:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Appraiser Lopez indicated most of Mr. McNulty's issues had been resolved except for determining the square footage of a sauna. He said he would go out and verify the square footage; and, if it was a factual error, it could be corrected as a reopen rather than appealing to the State Board of Equalization.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Schmidt, seconded by Member Krolick, which motion duly carried, Vice Chair McAlinden ordered that no additional relief be granted beyond the relief granted in regards to land value during the Village League to Save Incline Assets, Inc. consolidated hearing of February 21, 2007 for Hearing Nos. LT-11, J. Carl & Lorelei M. Cooper TR, APN 122-162-10 and LT-58, Bruce A. & Marian McNulty TR, APN 131-080-24. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

07-34E HEARING NOS. LT-1061 – VAUGHAN, LT-68 – LEUTHEUSER, LT-47 – SEIFERT

Josh Wilson, Assessor, explained Hearing Nos. LT-1061, Marianna Vaughan TR, APN 122-112-10; LT-68, Edward T. & Sue H. Leutheuser TR, APN 122-191-14; and LT-47, Joseph Seifert Etal, APN 127-250-32, requested an appeal by some form of correspondence, but did not file a petition. He said a request was sent to the Petitioners asking them to perfect their appeal but no response was received. He indicated it was up to the Board to decide whether or not to continue the Petitioners' hearings. Vice Chair McAlinden stated no appeal form was received from Mr. Leutheuser even though he was present on Friday, February 23rd.

After further discussion, Mr. Wilson read Nevada Revised Statute (NRS) 361.357(2) that indicated a form must be completed and that the form used was provided by the State. Vice Chair McAlinden corrected the citation to NRS 361.356(2) because it pertained to inequity.

Member Krolick asked if there was a representative present for these petitioners. Vice Chair McAlinden said they were not present, but she had a letter from Mr. Leutheuser.

Based on NRS 361.356(2), on motion by Vice Chair McAlinden, seconded by Member Green, which motion duly carried with Member Covert voting "no," it was ordered that Hearing Nos. LT-1061, Marianna Vaughan TR, APN 122-112-10; LT-68, Edward T. & Sue H. Leutheuser TR, APN 122-191-14; and LT-47, Joseph Seifert Etal, APN 127-250-32, not be heard because the Petitioner's did not complete the appropriate required form.

07-35E HEARING NOS. LT-12 – ADAMS, LT-10 – POLK, LT-52 – BERLINER, LT-42 – FRANCIS, LT-1 – LANDAU, LT-6 –

**MENCHETTI, LT-9 – MENCHETTI, LT-54 – TUCKER, LT-55 –
PERROTTA, LT-26 – SMITH, LT-69 – DEUERLING**

A petition for Review of Assessed Valuation received from the Petitioners, protesting the taxable valuation on land and improvements on various residential properties located in Incline Village, Washoe County, Nevada, were set for consideration at this time.

Josh Wilson, Assessor, duly sworn, indicated the remaining hearings were Lake Tahoe residential properties that were not part of the Village League to Save Incline Assets, Inc. consolidated hearing on February 21, 2007.

On motion by Member Schmidt, seconded by Member Covert, which motion duly carried, Vice Chair McAlinden ordered that Hearing Nos. LT-12 - Adams, LT-10 - Polk, LT-52 - Berliner, LT-42 - Francis, LT1 - Landau, LT-6 - Menchetti, LT-9 - Menchetti, LT-54 – Tucker, LT-55 - Perrotta, LT-26 - Smith, and LT-69 - Deuerling be consolidated.

Mr. Wilson stated the Assessor's Office stood by its written presentation of sales of comparable properties that substantiates the Assessor's total taxable value does not exceed full cash value and submitted the following documents into evidence for the above hearings:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps and subject's appraisal record.

Exhibit II, Assessor's Exhibit.

In response to Member Covert, Mr. Wilson explained a zero indicated the property had no view of Lake Tahoe.

In response to Member Green, Mr. Wilson confirmed the recommendation was to uphold. He said the Assessor's Office felt the 15 percent factor applied by the Nevada Tax Commission made that a Tax Commission value, but he would understand if the Board decided these hearings consistent with the ruling on February 21, 2007.

The Chair closed the public hearing.

Based on the concept of equalization and on the evidence presented by the Assessor's Office and the Petitioner, Member Schmidt motioned to adjust the taxable value of the land on these consolidated petitions to be that of the current assessed value on the rolls for the year 2006/07. With that adjustment, the Board would find the land and improvements are valued correctly and the total taxable value does not exceed full cash value. Member Krolick seconded the motion. Member Green voted "no" and Vice Chair McAlinden did not indicate yes or no.

In response to Vice Chair McAlinden, Nancy Parent, Chief Deputy Clerk, restated the motion. In response to Member Covert, Ms. Parent said the last motion voted on was to grant no additional relief. Member Covert said that was the motion he was looking for, and he would withdraw his vote unless the motion was clarified. Ms. Parent asked for clarification. Member Covert stated he would vote nay on that motion. Member Schmidt indicated he did not feel that was appropriate and there would have to be a motion to reconsider.

Member Green discussed why he would not vote for the motion. Vice Chair McAlinden indicated she could not vote for the motion because she did not hear in the motion that there was no action.

Member Schmidt said the votes were taken. He stated changing the motion had to be done by using the proper procedure. He felt someone voting in the affirmative would have to move to reconsider, which the Board would have to vote on.

Member Green believed he could call for a division of the house and have a show of the vote. John Bartlett, Legal Counsel, said it would be appropriate to reconsider since a vote was taken.

Based on the fact that Member Covert had asked if it was the same motion from earlier today and he was told the answer was yes, he voted yes to be consistent with earlier votes. Since he now found out the answer was no, he wanted to reverse that vote. On motion by Member Covert, seconded by Member Green, which motion duly carried, Vice Chair McAlinden ordered that the previous motion be reconsidered.

Member Schmidt said he voted in the affirmative for the reconsideration because of concerns regarding a response he gave to Member Covert.

Based on the concept of equalization and on the evidence presented by the Assessor's Office and the Petitioner, Member Schmidt motioned to adjust the taxable value of the land of the properties to the current assessed value on the rolls for the year 2006/07. With that adjustment, the Board would find the land and improvements are valued correctly and the total taxable value does not exceed full cash value. Member Krolick seconded the motion.

Mr. Bartlett felt Member Schmidt meant to say the taxable value this year would be the same as the taxable value established for 2006/07. He said Member Schmidt stated assessed value instead of taxable value.

Member Krolick withdrew his second. Member Schmidt said, he would amend the motion to reflect taxable value, which was what he meant to say, with the permission of the second. Member Krolick seconded the motion.

Vice Chair McAlinden asked if it was a motion to not change anything.

Mr. Bartlett said Mr. Schmidt's motion was to adjust the land value for each of these properties to the 2006/07 taxable value. Member Schmidt corrected to assessed value on the rolls for the year 2006. With that adjustment, the Board would find the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

Member Krolick said he seconded the motion because it pertained to issues the Board had been dealing with all along. He stated the motion did not address other issues because he had not heard any testimony from the petitioners on those issues.

Ms. Parent said the motion needed clarification because the last time Mr. Schmidt made the motion he said assessed value. She asked if it was assessed or taxable. Member Schmidt replied he was using both because he was adjusting the assessed land value to the rolls, which was the motion he had been using all along. Ms. Parent said most of the motions had been to grant no additional relief. Vice Chair McAlinden said she thought that was the motion Member Schmidt was going to make.

Mr. Bartlett said he was writing out a motion to get the terminology right. Member Krolick withdrew his second and Member Schmidt withdrew his motion.

Based on the concept of equalization and on the evidence presented by the Assessor's Office and the Petitioner, Member Schmidt motioned to adjust the taxable value of the land values in these consolidated cases to the taxable value established for the 2006/07-tax year. With that adjustment, the Board finds the land and improvements are valued correctly and the total taxable value does not exceed full cash value. Member Krolick seconded the motion. Vice Chair McAlinden and Members Covert and Green voted "no." The motion failed.

Based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Green, seconded by Member Covert, which motion duly carried with Members Krolick and Schmidt voting "no," Vice Chair McAlinden ordered that the Assessor's taxable value be upheld for the following Hearing Nos. The Board found that, with these adjustments, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

Hearing No.	Petitioner	APN
LT-12	John R. Adams	122-126-19
LT-10	John E & Carole L Polk TR	122-133-10
LT-52	Arthur A & Marilyn L Berliner	122-193-06
LT-42	Phillip M & Sharon Z Francis	122-195-08
LT-6	D G Menchetti TR	126-251-17
LT-9	David G Menchetti	129-280-07
LT-1	Arnold Landau	125-522-02
LT-54	Timothy O Tucker TR	130-241-01
LT-55	Charles F Perrotta Etal	131-012-12

LT-26	Donald G & and Wanda L Smith	131-290-10
LT-69	Joseph H & Margit E Deuerling	132-540-01

Member Schmidt said he could not support the motion because it uniquely applied the 15 percent factor to a figure that the Assessor had declared to be inaccurate. He said the Board had universally set aside the factor this year on the Incline Village properties. He said the motion was totally inconsistent with what the Board had done and with what the motion maker and the second had done.

Member Krolick indicated he could not support the motion because of a lack of consistency. He indicated it was unfortunate there had been a revolving fifth member this year because he felt if that member had been present for the consolidated hearing on the February 21st it would have been more useful in the decision making process.

BOARD MEMBER COMMENTS

Member Krolick felt the whole process was flawed. He said alternates on a jury sit through the whole case. In his opinion, starting and stopping and bringing people in and out drastically affected the decision making process.

Member Green said he heard all of the Incline Village cases last year as part of panel B, so he was not unfamiliar with the cases nor was he unfamiliar with the cases brought forward by the attorneys. He felt the Board members had to vote their conscience, and he intended to vote as he saw fit.

Member Covert understood the Board was ruling on 2007/08 and what the Board did last year should have no impact on how it handled the cases this year. He said he had been consistent in voting and felt the Board had done the right thing this year.

Member Schmidt supported Member Green because he sat on the Board last year and fully participated, and he was aware of Member Krolick's history. He said he had a great amount of respect for both members. He agreed the system was flawed, and he had been placing objections on the record for 15 years regarding those flaws. He discussed the flaws and his influence in getting some of them corrected, especially in getting alternates appointed to the Board. He discussed the handling of this year's alternates.

Member Schmidt said he was hereby, by his authority as a member of the Washoe County Board of Equalization, instructing the Clerk to place on the agenda an action item for March 7, 2007 at 9:00 a.m. or the first weekday that this room is available, consideration of possible equalization of residential properties throughout all of Incline Village and Crystal Bay. Additionally, to place a second action item on that agenda to consider possible equalization of the balance of Washoe County residential properties. He stated having placed that on the record, he felt there was some confusion or dispute as to whether or not he had that authority. He believed he did have that

authority. He invited anyone to quote any law, regulation or policy of this Board that did not give him that authority. Based upon discussions with Steven Sparks, he believed it was the intent of the former Chair to place these items on the February 28, 2007 agenda. He requested the current Chair join him and support his placement of these items on the agenda. He said absent that, he requested each individual Board member place their position on the record on whether they thought it was appropriate to agendize these items for consideration. He felt it would be inconsistent with what the combined panels did last year, including the votes by those members on the Board last year, not to proceed with those considerations. He stated the vote last year was based on the District Court ruling and now there was a Supreme Court ruling affirming the District Court ruling.

Vice Chair McAlinden said this was not an action item and Board members were limited to announcements, topics, or issues proposed for future agendas. Member Schmidt said that was what he just did and a request to place an item on the agenda was not an action. Vice Chair McAlinden said she would not commit herself to making this an agenda item at this point.

Member Schmidt requested the other Board members weigh in.

Nancy Parent, Chief Deputy Clerk, stated the Clerk's Office policy, and the policy of this Board, was not to react to requests from individual Board members. She said the Clerk's Office supported the Board as a whole and took direction from the Chair. She wanted it on the record, in spite of Member Schmidt's direct request of the Clerk's Office, that was not how direction was received from this Board as a whole.

Member Schmidt suggested if Ms. Parent had any authority to support that statement that she place it on the record. Vice Chair McAlinden said Ms. Parent's letter dated February 26, 2007 indicated, after review of the audio tape, there was no direction given to the Clerk to agendize the matter.

Member Schmidt said Ms. Parent had direction and instructions today from him at a minimum. Vice Chair McAlinden said Ms. Parent had just said the Chair gave the County Clerk's Office direction. Member Schmidt said that might be Ms. Parent's and the Chair's position, but neither person had quoted any authority in the law, policies, or procedures. He indicated historically, throughout this community, individual Board members were always afforded the right to place items on an agenda. He said his instructions were clear; and, if the Clerk failed to do it, she did so at her own risk.

Unless he was mistaken, Member Green thought the Board was charged only with hearing appeals to assessments and not with making policy.

Member Schmidt read Nevada Revised Statute 361.345(1). He felt that statute made it within the Board's authority to address mass equalization issues, as done last year. He stated that authority was not challenged before this Board or by the Assessor's or the District Attorney's offices; and he was not aware that it had been

challenged by the State Board of Equalization, the State Tax Commission or the Attorney General's Office.

PUBLIC COMMENTS

There was no response to the call for public comment.

* * * * *

4:17 p.m. There being no further hearings or business to come before the Board, the Board adjourned.

PATRICIA MCALINDEN, Vice Chair
Washoe County Board of Equalization

ATTEST:

AMY HARVEY, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Lisa McNeill and Jan Frazzetta, Deputy Clerks*