

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

THURSDAY

9:00 A.M.

FEBRUARY 28, 2013

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman
James Brown, Member
Philip Horan, Member
Gary Kizziah, Member

Nancy Parent, Chief Deputy Clerk
Peter Simeoni, Deputy District Attorney

The Board of Equalization convened at 9:00 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairman Covert called the meeting to order, the Chief Deputy Clerk called the roll and the Board conducted the following business:

13-420E PUBLIC COMMENT

There was no response to the call for public comment.

13-421E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

APN	Petitioner	Hearing No.
400-040-12	HARVEST SKY PEAKS RETIREMENT RESIDENCE LLC	13-0320
538-131-12	TERRIBLE HERBST INC	13-0188

13-422E CONSOLIDATION OF HEARINGS

The Board consolidated items as necessary when they each came up on the agenda.

**13-423E PARCEL NO. 076-361-02 – MASSIC, SAUNDRA R & STEPHAN E
– HEARING NO. 13-0065**

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 640 Encanto Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 076-361-02, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$744,000, resulting in a total taxable value of \$794,000 for tax year 2013-14. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

13-424E PARCEL NO. 076-361-02 – MASSIC, SAUNDRA R & STEPHAN E
– HEARING NO. 13-0065R12

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 640 Encanto Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 076-361-02, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$700,000, resulting in a total taxable value of \$765,000 for tax year 2012-13. With that adjustment, it was found that the land and

improvements are valued correctly and the total taxable value does not exceed full cash value.

**13-425E PARCEL NO. 037-012-05 – JORDAN REVOCABLE TRUST,
PATRICIA A – HEARING NO. 13-0182**

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 350 N. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Lease Agreement, 4 pages.

Exhibit B: Letter with attachments, 13 pages.

Exhibit C: Personal Property Manual (excerpts), 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

Exhibit II: Personal Property Manual (excerpts), 3 pages.

Exhibit III: Nevada Tax Commission's new regulations, 8 pages.

On behalf of the Petitioner, Paul Bancroft was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser, and Josh Wilson, Assessor, oriented the Board as to the location of the subject property.

Mr. Bancroft said in the State of Nevada the taxable value was calculated by adding the land and improvement values to arrive at a total taxable value. He said many appeals were brought forward on the basis that the taxable value exceeded full cash value. That was not the basis for this appeal. Being questioned was the manner in which taxable value was calculated, specifically how the taxable value of the improvements was calculated. Mr. Bancroft said those concerns were identified in Exhibit A. The first concern regarded the occupancy classification at this location; however, that had been reviewed and would now be reclassified as a convenience store rather than a mini mart.

Mr. Bancroft said the next issue concerned additional property that was added to the occupancy classification. He stated that Exhibit A contained a copy of the Assessor's Office commercial appraisal record, which listed items that included special feature yard items. He explained that one category had items which were assessed as part of the underground gasoline storage tank and the piping that went from the storage tank to the dispenser and the submerged pump that pumped the gas through the system. In total, the taxable value added for that submerged tank storage system was \$198,719 or 26

percent of the improvement value. He was contending that the storage tank was not part of the real property, was a trade fixture, and should be assessed on the personal property roll, not the real property roll. Mr. Bancroft submitted Exhibit B, portions of the *Personal Property Manual*. He said page 48 contained a copy of the amended regulation defining the term "real property." The definition read, "real property has the meaning ascribed to it in NRS 361.035 and includes: land; fixtures; improvements; on-site enhancements; and, any rights, interests, benefits and privileges belonging or attached to the land." In subsection 2, the term did not include a trade fixture. Mr. Bancroft said the question in this case was what a trade fixture was and did the submerged tanks qualify as such. He stated that page 52 defined "trade fixture" as the following, "trade fixture means an item of personal property that: is installed or attached temporarily to real property by an owner or tenant for the purpose of conducting a business or trade and not for the enhancement of the real property to which it is installed or attached; and, has a unique identity and function which is related to the business or trade for which it is installed or attached and which is distinct from the real property to which it is installed or attached." Mr. Bancroft explained that one entity owned the property, and then leased the property to Barry Hinckley Industries, an affiliate of Terrible Herbst, Inc. He indicated that Barry Hinckley Industries operated the trade or business at the location. In this instance, the submerged tanks were procured and installed by Barry Hinckley Industries, at their expense, to further their business of selling gasoline. The tenant, Barry Hinckley Industries, not the landlord, owned the tanks and retained the right to move those tanks during the term of the lease. The tanks were generic, had nothing special about their design that adapted them to this specific location or site and their installation retained their identity. He indicated that the installation of the tank was not permanent and, at the time of installation and removal, was anticipated and required if the tank leaked the location would cease to serve as a gas station, or if the tank reached the end of their useful lives. Mr. Bancroft explained that the removal procedure reversed the installation procedure and, once removed, the tanks would still retain their identity and were a trade fixture for Barry Hinckley Industries.

Mr. Bancroft said another item of concern regarded the canopy erected over the gas dispensers, which was also a trade fixture and added an additional \$86,953 to the improvement value. He said the function of the canopy served to shade customers while dispensing gas and advertised the particular brand offered on the site. He said the canopy was usually designed in a distinctive manner and identifiable for the type of service station and the brand of gasoline that would be sold.

Chairman Covert inquired on the difference between a canopy and a carport located next to a residence. Mr. Bancroft replied the difference was the intent in putting that canopy up. When a homeowner erected a carport, they were intending to improve their residence and the carport could be a benefit to a succeeding owner. In this case, the canopy was not erected to enhance the value of the property, but was erected to enhance the trade or business that sold the gas and was not anticipated to stay forever because the brand of gas could change. He explained that the canopy was procured and installed by the tenant, Barry Hinckley Industries, at their expense to further their

business of selling gas. The tenant, not the landlord, owned the canopy and retained the right to remove or change the canopy during the term of the lease.

Member Horan remarked that the terms of the lease mentioned that the tenant had the right to remove the canopy or the tanks. Mr. Bancroft replied they may have the right to change that during the term of the lease; however, in this case, the lease addressed what would occur at the end of the lease with regard to the in-ground storage tanks. When the lease was negotiated, it was agreed that Barry Hinckley Industries would remove those storage tanks at the termination of the lease at their own expense. He commented that the storage tanks carried a tremendous liability and, if the gas station ceased to serve gas, those tanks had to be removed.

Mr. Bancroft explained the installation for the canopy was straightforward as they were bolted to footers on the ground which could also be removed. He indicated that the Internal Revenue Service (IRS) treated the tanks and canopies as personal property, which had consistently been reported to the IRS as personal property for income tax purposes and personal property tax purposes. Mr. Bancroft said the Assessor's Office did receive that information, and assessed those as personal property instead of real property. He added that he had only reviewed this year and had not reviewed previous years. Mr. Bancroft noted that he was not arguing double taxation for the storage tanks or the canopy, but was arguing that the proper treatment of those items would be as personal property. Other states such as Arizona and California assessed those tanks and canopies as personal property, and California also drew a distinction between what was assessed as an improvement to real property and what was assessed as a fixture. The regulation and the standard in the regulation controlled whether it was installed or attached to the property for the purpose of conducting a trade or business, and whether that attachment was permanent or non-permanent. In this case, he said neither the canopy nor the storage tanks were permanent and the intent, at some point, was that they would be removed and/or changed. The life of the tank was not long enough to indicate it would be permanent. The purpose of conducting that trade, business or enhancement for real property was similar if not identical to the test used in California to discern whether or not an item that was attached was a fixture or not a fixture California had acknowledged, "that an improvement will be classified as a fixture if its use or purpose directly applied to or augments the process of function to a trade, industry or profession," which in this case it would since they would to further the sale of gas. He remarked that California went on to state, "items that had a dual purpose would be classified according to their primary purpose." He said the question was what was the primary purpose of putting storage tanks on the site or erecting a canopy on the site. Mr. Bancroft commented the primary purpose was to sell gas and that was the trade or business that it benefitted.

Mr. Bancroft said the final issue was depreciation. In the materials submitted, he noted that Terrible Herbst, Inc. had been operating their convenience stores for over 70 years and during that period of time, had internally developed the life expectancy for those stores at approximately 25 years. He stated that was the life span used to depreciate the improvements to their real property, not the canopy or the tanks, but the store. He said that shorter user-life was recognized by *Marshall & Swift*, which

included an excerpt for life expectancy guidelines for convenience stores that ranged between 35 and 40 years. He said those buildings were not built to have the same life expectancy as other improvements, instead they had a higher wear and tear suggesting that a higher depreciation rate should be applied other than the 1.5 percent set by statute. He indicated that statute required the value of the improvement be reduced by all applicable depreciation and obsolescence. Mr. Bancroft felt that 1.5 percent was the starting point, and suggested that an actual higher rate of depreciation was appropriate for convenience stores. He suggested applying a range between 2.5 to 2.9 percent, which could equate to a 15 percent depreciation rate.

In conclusion, Mr. Bancroft requested that the buried storage tanks and the canopies not be treated as part of the real property, but placed on the personal property roll and the property that remained on the secured roll be depreciated at a higher rate than the statutory 1.5 percent.

Member Kizziah asked if Mr. Bancroft was aware of Clark County's treatment concerning trade fixtures and, if this issue was being challenged in other counties. Mr. Bancroft replied that Terrible Herbst, Inc. had many gas stations in Clark County and noted this was a large issue for them. However, that issue had not yet been heard in Clark County since their Board of Equalization hearings were scheduled through March 18, 2013.

Appraiser Bozman distributed Exhibit II, excerpts from the *Personal Property Manual*, and Exhibit III, an *Adopted Regulation of the Nevada Tax Commission* that dealt with this issue. He confirmed that the classification was recommended to be changed from a mini mart to a convenience store, and that the properties would be reviewed next year to make a clearer determination. As noted in Exhibit III, page 2, section 3, Appraiser Bozman stated that, "a fixture meant an item other than a trade fixture that was originally personal property, which had been installed or attached to land or an improvement in a permanent manner. As used in this section, installed or attached to the land or improvement in a permanent manner means that, (a) was an item that is attached to, imbedded in or permanently resting upon land or improvement or, is attached by other means that are normally used for permanent installation." He said burying a tank in the ground was a normal operation for permanently attaching something.

Chairman Covert said the regulations included, "could not be removed without substantively damaging the item of the land or improvement for which it was used for." Appraiser Bozman agreed, but the land would be disturbed by removing the storage tanks; however, it could be remediated as with a home and/or any structure. He continued reading from section 3 that stated, "the use or purpose of an item that is not otherwise physically annexed to land or an improvement is so adapted that it is: a necessary, integral or working part of the land or improvement; designed or committed for use with the land or improvement; or, so essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item." Appraiser Bozman said if the storage tanks would be removed from the subject property, a gas station could not be conducted.

Chairman Covert asked if gas stations had the option of underground or above ground tanks. Appraiser Bozman replied that all the gas stations he was aware of had below ground tanks. Chairman Covert asked if stations had the option, by law, to place their tanks above or underground. Appraiser Bozman did not know the answer to that question. Chairman Covert commented that an above ground tank would not be attached to the land. Appraiser Bozman replied that depended on the nature of the tank and how it was physically attached. He said that the adopted regulations read, "a reasonable person would consider the item to be a permanent part of the land or improvement, taking into account annexation, adaptation or other objective manifestations of permanence." Appraiser Bozman remarked this was a reasonable test that the underground tank was part of the land.

In regard to the concern about the canopy, Appraiser Bozman said it did not matter that it was placed in the agreement to take the tanks or canopy with them, since anything could be placed in a lease and was not a test as to whether this was or was not a fixture. He restated the regulations and by using the constructive annexation test, the purpose of the item was to augment the use of the improvement no matter how it was attached so the item must be considered a fixture. An example would be a heating and ventilation system (HVAC) where the system was used to heat, ventilate or cool a structure and would be considered real property. He indicated that an HVAC system could easily be removed as far as the heating element; however, that did not mean it was not real property. It was essential to the operation of the business just as fuel storage tanks were essential to the operation of this business. He indicated that the canopy was there for identification purposes, to protect customers from the elements and was attached to the land and could be removed such as a carport or other structures; however, just because it was removable, did not mean it was not a fixture or an essential part of that business.

Appraiser Bozman stated that the depreciation of 1.5 percent was statutory, which was followed by the Assessor's Office.

Chairman Covert said the statutory rate of depreciation was 1.5 percent and asked if the Board had the authority to change that rate. Pete Simeoni, Legal Counsel, replied he was not aware of any authority that authorized the Board or the Assessor's Office to change that rate. Chairman Covert commented if there was an additional depreciation the usual process was to add obsolescence. Josh Wilson, Assessor, stated that NRS 361.227 defined the determination of taxable value, and said the computed taxable value of any property must not exceed its full cash value. It also stated, "each person determining the taxable value of the property shall reduce it if it is necessary to comply with this requirement." It was also noted why and how the property value could be reduced, which was based on the comparable sales and the prices actually paid in market transactions. Assessor Wilson said the Petitioner indicated this was not a question of whether taxable value exceeded market value. He explained there were no means by which this Board could reduce an improvement value if it was not determined that the total taxable value exceeded market value. Assessor Wilson remarked that the Petitioner

was asking the Board to apply a different depreciation schedule to a real property improvement; however, he did not see that reason to reduce the assessment listed under NRS 361.227. To deviate from the 1.5 percent depreciation would take the property out of equalization, but if it was clearly demonstrated that the properties wear out quickly, the market value, based on comparable prices or the income approach not supporting the taxable value, would be a basis for a reduction. He said just requesting the Board to change the depreciation was not warranted. He felt this was an issue that would be further challenged and, if it were deemed by the courts that these items should be valued on the unsecured roll versus the secured roll, every effort would be made on a County-wide basis to comply.

Member Horan commented it was an interesting theory as to whether these items should be a fixture or a trade fixture. Assessor Wilson stated that trade fixtures were treated as personal property and, depending on the type of equipment the trade fixture may be, there could be varying life schedules associated with the different types of property. Member Horan said ownership played a role as far as an improvement on the land or whether it was a trade fixture since the ownership resided with the tenant. Assessor Wilson said it may, but there were situations where it was unknown who owned the property on a parcel. Member Horan stated this land could function without the storage tanks if it were not a gas station. Assessor Wilson stated that was correct, but that argument could be made for any piece of property in the County.

Mr. Bancroft commented that Appraiser Bozman had asked the Board to review the regulations that pointed to the definition of a fixture. Further in that regulation real property was defined as, "real property has the meaning ascribed to it in NRS 361.035 and includes: land; fixtures..." Mr. Bancroft was not in disagreement since a fixture was part of the real property. The bottom of the definition of land, subsection 2, noted the term real property did not include a trade fixture. He said the definition that was important was not the definition of fixture, but the definition of a trade fixture, which went back to the idea of being non-permanently attached. He stated it could be attached and was anticipated that it was attached, but not permanently.

Chairman Covert asked for a definition of permanent. Mr. Bancroft replied that nothing was permanent, but what was anticipated at the time of installation. He explained in this case the owner of the tanks and canopy was not the same as the owner of the land.

Member Kizziah asked if ownership was considered part of the criteria for the test, as noted in the *Adopted Regulations of the Nevada Tax Commission*. Mr. Bancroft replied it was a determining factor, but was not a determining factor in regard to the definition of a fixture. He was focused on the definition of a trade fixture and the question as whether it was a non-permanent attachment. He said the comment was made that anyone could put anything in a lease agreement, but that was not true. A lease agreement was negotiated between two parties. One thing allocated in a lease agreement was who bore the risk and responsibility. Mr. Bancroft requested the Board hold the in-ground storage tanks and the canopies as trade fixtures, which should not be assessed on

the secured roll, and that the remaining property on the secured roll be depreciated at a rate higher than 1.5 percent. He recognized that the 1.5 percent was the starting point, but the Assessor and the Board had the authority to recognize all depreciation and obsolescence that a site was subject to.

Member Horan asked if the County was consistent regarding in-ground storage tanks being assessed as part of the land. Appraiser Bozman replied in-ground storage tanks were assessed as real property and were consistent throughout the County.

Chairman Covert stated that the Board's responsibility was to determine if the full taxable value of the property did not exceed full market value. He asked if the Board had the authority to change classifications of a property that had been classified one way, but the Appellant felt it should be classified differently. Mr. Simeoni replied there were disputes between an Appellant's claim that a particular building should be classified as a different category than the Assessor's Office had it classified. He said that was a factual determination presented to this Board based on the evidence provided, and the Board had that authority. Chairman Covert said the building would always be classified as real property. Member Krolick said it was "use in times." Mr. Simeoni explained there were factual determinations that had to be determined based upon the evidence presented. As it related to fixtures, there were three components: affixed to the land; permanently attached; or, the intention of the parties and how that intention manifested through an arrangement, document or agreement. Chairman Covert said the Appellant requested that the depreciation rate be changed; however, the statutory rate was 1.5 percent and, if the Board wanted to lower the value, the depreciation would not be lowered, but the obsolescence factor would be changed. He was not comfortable with that request from the Appellant.

Chairman Covert was also not comfortable making a decision that would change every gas station in the County and felt that needed to go before the courts. Member Horan agreed. He said it was an interesting theory that had some merit, but by making a decision to change that classification across the County would create an unequalization that could cause problems.

Appraiser Bozman confirmed that the recommendation was to reclassify the business from a mini mart to a convenience store.

With regard to Parcel No. 037-012-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$600,480, resulting in a total taxable value of \$959,784 for tax year 2013-14. The reduction was based on a reclassification from a mini-mart to a convenience store. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

13-426E

**PARCEL NO. 043-011-47 – OVERLAND DEVELOPMENT CORP –
HEARING NO. 13-0183**

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 7693 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter with attachments, 13 pages.

Exhibit B: Letter with attachments, 13 pages. (Hearing No. 13-0182)

Exhibit C: Personal Property Manual (excerpts), 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 33 pages.

Exhibit II: Personal Property Manual (excerpts), 3 pages.

Exhibit III: Nevada Tax Commission's new regulations, 8 pages.

On behalf of the Petitioner, Paul Bancroft was previously sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser, and Josh Wilson, Assessor, oriented the Board as to the location of the subject property.

Mr. Bancroft stated that the arguments were essentially the same as the arguments in the preceding case, Hearing No. 13-0182, which concerned the storage tanks, the canopy and depreciation. He requested his arguments from the prior hearing be incorporated into this case. The additional argument for this case regarded the addition of the commercial appraisal record for the car wash equipment. He stated it was a line item of \$281,010 before depreciation was applied. Mr. Bancroft contended that the car wash equipment was a trade fixture and should be included on the personal property roll and not the real property roll.

Ms. Parent clarified that the prior arguments referred to by Mr. Bancroft were from Hearing No. 13-0182, Jordan Revocable Trust.

Mr. Bancroft said those costs for the interior of the car wash such as rollers and brushes were included on the real property roll, not on the personal property roll. He indicated that the automatic car wash had a conveyor that pulled cars through the system. The conveyor was installed in the ground, but was a piece of equipment that was ordinarily removed and was a trade fixture.

Appraiser Gonzales clarified that the issue was not with the taxable value exceeding market value. He submitted the prior two exhibits, Exhibit's II and III from Hearing No. 13-0182 and stated that the same arguments applied to this parcel as in Hearing No. 13-0182.

Josh Wilson, Assessor, explained that the debate over what was real property versus personal property was not a new argument. He appreciated the Petitioner's arguments and wanted what was appropriate in light of the new regulations. He may disagree with what the Petitioner brought forward and may disagree with some of the Department of Taxation determinations, but it would continue to be reviewed and this issue would be followed in Clark County in order to have equity and consistency.

With regard to Parcel No. 043-011-47, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and find that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

13-427E PARCEL NO. 086-101-38 – LOHF TRUST –
HEARING NO. 13-0184

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 13900 Stead Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter with attachments, 10 pages.

Exhibit B: Letter with attachments, 13 pages. (Hearing No. 13-0182)

Exhibit C: Personal Property Manual (excerpts), 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

Exhibit II: Personal Property Manual (excerpts), 3 pages.

Exhibit III: Nevada Tax Commission's new regulations, 8 pages.

On behalf of the Petitioner, Paul Bancroft was previously sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Chris Sarman, Appraiser, oriented the Board as to the location of the subject property.

Mr. Bancroft stated that the arguments were essentially the same as the arguments in Hearing No. 13-0182, which concerned the storage tanks, the canopy and depreciation. He requested his arguments from the Hearing No. 13-0182 be incorporated into this case.

Ms. Parent clarified that the prior arguments referred to by Mr. Bancroft were from Hearing No. 13-0182, Jordan Revocable Trust.

Appraiser Sarman submitted Assessor Exhibit's II and III from Hearing No. 13-0182 and stated that the same arguments applied to this parcel as in Hearing No. 13-0182.

With regard to Parcel No. 086-101-38, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and find that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

13-428E PARCEL NO. 534-092-04 – MORENO 2001 TRUST, DESI –
HEARING NO. 13-0187

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 8995 La Posada Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter with attachment, 8 pages.

Exhibit B: Letter with attachments, 13 pages. (Hearing No. 13-0182)

Exhibit C: Personal Property Manual (excerpts), 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

Exhibit II: Personal Property Manual (excerpts), 3 pages.

Exhibit III: Nevada Tax Commission's new regulations, 8 pages.

On behalf of the Petitioner, Paul Bancroft was previously sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser, oriented the Board as to the location of the subject property.

Mr. Bancroft stated that the arguments were essentially the same as the arguments in Hearing No. 13-0182, which concerned the storage tanks, the canopy and depreciation. He requested his arguments from Hearing No. 13-0182 be incorporated into this case.

Ms. Parent clarified that the prior arguments referred to by Mr. Bancroft were from Hearing No. 13-0182, Jordan Revocable Trust.

Appraiser Bozman submitted Assessor Exhibit's II and III from Hearing No. 13-0182 and stated that the same arguments applied to this parcel as in Hearing No. 13-0182.

With regard to Parcel No. 534-092-04, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and find that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

13-429E ROLL NO. 2460543 – NORTHERN SIERRA CONSTRUCTION, INC. – HEARING NO. 13-0284PP

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Explanation to amend, 14 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including account data and a description of the assets, 4 pages.

On behalf of the Petitioner, Sheril Bradley was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Sr. Appraiser, and Josh Wilson, Assessor, oriented the Board as to the location of the subject property.

Ms. Bradley requested that the personal property declaration be amended, which had been erroneously filed by a former employee of the company. She had a statement from the owner that addressed each asset on the roll and what happened to those assets.

Chairman Covert asked if some of the equipment on the declaration had been destroyed and was no longer applicable. Ms. Bradley stated that was correct.

Assessor Wilson explained that factual errors on real property could be corrected on the reopen roll between now and June 30th, but since the Personal Property Assessment had already been made it took a Board of some sort to change the value.

10:30 a.m. The Board took a brief recess for the Appraiser to verify the list and identify the amended amount.

10:40 a.m. The Board returned with all members present.

With regard to Roll No. 2460543, pursuant to NRS 361.345, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the personal property value be reduced to \$201,608, resulting in a total personal property value of \$201,608 for tax year 2012-13. With that adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

**CONSOLIDATION AND DISCUSSION – ROLL NO. 2500651, –
ALTAIRNANO, INC - HEARING NOS. 13-0098PP11, 13-0099PP08,
13-0100PP09 AND 13-0101PP10**

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Sr. Appraiser, oriented the Board as to the location of the subject property and distributed Exhibit II. He explained that this parcel was audited, and the taxpayer had testified there was an error made in the property listing and the interpretation of the listing done by the auditor. Appraiser Stafford said the parties met after these hearings were continued from an earlier date and arrived at new values, as listed by hearing number on Exhibit II. The reductions were based on the amended audit findings performed by Tax Management Associates.

Please see items 13-430E through 13-433E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**13-430E ROLL NO. 2500651 – ALTAIRNANO, INC –
HEARING NO. 13-0098PP11**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 46 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

Exhibit II: Results of corrected audit findings and recommended values, 4 pages.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – ROLL NO. 2500651, – ALTAIRNANO, INC - HEARING NOS. 13-0098PP11, 13-0099PP08, 13-0100PP09 AND 13-0101PP10.

With regard to Roll No. 2500651, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, it was ordered that the taxable value be upheld for the 2011/12 Unsecured Roll Year. It was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

**13-431E ROLL NO. 2500651 – ALTAIRNANO INC. –
HEARING NO. 13-0101PP10**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 46 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including account data and a description of the assets, 9 pages.

Exhibit II: Results of corrected audit findings and recommended values, 4 pages.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – PARCEL NO. 2500651, – ALTAIRNANO, INC - HEARING NOS. 13-0098PP11, 13-0099PP08, 13-0100PP09 AND 13-0101PP10.

With regard to Roll No. 2500651, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, it was ordered that the taxable values reflected on Assessor Exhibit II be adopted for the 2010 Tax Year. The reduction was based on the amended audit findings performed by Tax Management Associates. With this adjustment, it was found that the

personal property was valued correctly and the total taxable value does not exceed full cash value.

13-432E **ROLL NO. 2500651 – ALTAIRNANO INC. –**
HEARING NO. 13-0100PP09

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 46 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including account data and a description of the assets, 9 pages.

Exhibit II: Results of corrected audit findings and recommended values, 4 pages.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – ROLL NO. 2500651, – ALTAIRNANO, INC - HEARING NOS. 13-0098PP11, 13-0099PP08, 13-0100PP09 AND 13-0101PP10.

With regard to Roll No. 2500651, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, it was ordered that the taxable values reflected on Assessor Exhibit II be adopted for the 2009-10 Tax Year. The reduction was based on the amended audit findings performed by Tax Management Associates. With this adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

13-433E **ROLL NO. 2500651 – ALTAIRNANO INC. –**
HEARING NO. 13-0099PP08

A Petition for Review of Assessed Valuation was received protesting the 2008-09 taxable valuation on property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 46 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including account data and a description of the assets, 9 pages.

Exhibit II: Results of corrected audit findings and recommended values, 4 pages.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – ROLL NO. 2500651, – ALTAIRNANO, INC - HEARING NOS. 13-0098PP11, 13-0099PP08, 13-0100PP09 AND 13-0101PP10.

With regard to Roll No. 2500651, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, it was ordered that the taxable values reflected on Assessor Exhibit II be adopted for the 2008-09 Tax Year. The reduction was based on the amended audit findings by Tax Management Associates. With this adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

13-434E **PARCEL NO. 071-120-01 – UNITED STATES GYPSUM CO –**
HEARING NO. 13-0282G

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 215 2nd Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 54 pages.

Exhibit II: Supporting documentaion, 3 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Ivy Diezel, Department Systems Support Analyst, and Josh Wilson, Assessor, oriented the Board as to the location of the subject property.

Assessor Wilson indicated a value was being recommended based on the Department of Taxation's review.

Ms. Diezel explained that the property contained land and improvements that were assessed locally and assessed by the Department of Taxation, which was done under NRS 362.100. She said the Assessor's Office valued the land portion and valued a portion of the improvements. In addition to real property improvements, she said the Department of Taxation also gave a value for secured personal property, and an exemption for pollution control, which was a reduction to the overall assessment. Ms.

Diezel said an agreement was made between the Department of Taxation and US Gypsum on the assessed improvements. She said it stated that the locally assessed land improvements were not revised and was agreed to by their representative.

With regard to Parcel No. 071-120-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the locally assessed land value be upheld, the locally assessed improvement value be upheld, the improvement value from the Department of Taxation be reduced to \$6,607,716 the secured personal property value from the Department of Taxation be upheld and the pollution control exemption from the Department of Taxation be reduced to \$75,270, resulting in a total taxable value of \$11,128,057 for tax year 2013-14. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

13-435E PARCEL NOS. 071-110-01, -02, -03, -17, -18, -19, 071-120-03, -06, -07, AND -14 – UNITED STATES GYPSUM CO – HEARING NO. 13-0282A, B, C, D, E, F, H, I, J AND K

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 54 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Chris Sarman, Appraiser, oriented the Board as to the location of the subject properties. He said the issue concerned the value of improvements. He included sales data to support the values and felt that the market value was not exceeded.

With regard to Parcel Nos. 071-110-01, -02, -03, -17, -18, -19, 071-120-03, -06, -07, and -14, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and find that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

13-436E BOARD MEMBER COMMENTS

Josh Wilson, Assessor, thanked the Board for their service this year and, in terms of the number of meetings, he felt they were the hardest working Board in the State.

Member Horan thanked his fellow Board members, the leadership of the Chairman and the outstanding support received from the Clerks' Office, the Assessor's Office and the District Attorney's Office.

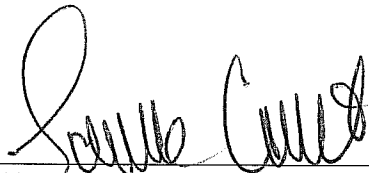
Chairman Covert thanked his fellow Board members, the Clerk's Office and the Assessor's Office for their professionalism.

13-437E PUBLIC COMMENT

Nancy Parent, Chief Deputy Clerk, stated in the past when the minutes were completed a copy of all the minutes would be placed on a CD and sent to the individual Board members for review. The Board members were instructed to send any corrections to the Chair within 30 days of receipt of the minutes. After the 30-day review period Chairman Covert would sign the signature pages and return them to the Clerk's Office with any corrections.

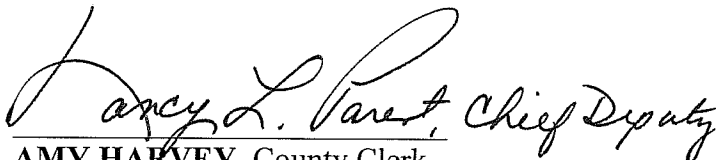
* * * * *

11:25 a.m. There being no further hearings or business to come before the Board, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, the meeting was adjourned.



JAMES COVERT, Chairman
Washoe County Board of Equalization

ATTEST:



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

*Minutes prepared by
Stacy Gonzales, Deputy Clerk*