

Incline Village property owners get court win

By Susan Voyles
svoyles@rgj.com

The champagne corks were popping in Incline Village on Friday night as word spread of a major court victory Friday ordering a tax refund, plus interest for property owners in a years-long struggle over land values.

A Carson City District judge invalidated four methods used by the Washoe County Assessor's Office to value land in 2002. These ranged from a rating system for their Tahoe views to the sandy or rocky conditions of their beaches.

"It's a total sweep," said Maryanne Ingemanson, president of the Village League to Save Incline Assets.

"I'm going to have more than my share of champagne," Ingemanson said. "When we get this whole thing wrapped up, I want a huge party. This is incredible news."

"It's a big win," echoed Norm Azevedo, her lawyer, of the 17-page decision issued Friday by Carson City District Judge William Maddox.

Azevedo said he believes the ruling will go beyond 19 homeowners who filed the case and benefit all the 6,000 homeowners at Incline Village and Crystal Bay.

But having thoroughly reviewed the decision, he said any estimates of the tax refunds would have to wait.

In the case, Maddox ordered county officials to void property taxes paid for the 2003-04 tax year and said taxpayers should pay only what they did the year before.

He ordered taxpayers be paid a refund for the difference, as well as 6 percent interest. Azevedo said attorney fees will be paid as well.

Ingemanson said land values for homeowners rose about 50 percent that year. It was a reappraisal year in which all properties were reviewed. It's done once every five years, to bring property values closer to current market conditions.

That year, she said the taxes on her beach-front house rose to \$75,000 a year. And she is now paying \$80,000 a year -- with the help of her children. "I don't make that much," said Ingemanson, who is involved in commercial real estate.

The lawsuit was filed against the county, the assessor, the state taxation department and the state board of equalization.

County assessor reacts

Washoe Assessor Robert McGowan said he will abide by the judge's decision. "Show me I'm doing something wrong, and I'll be happy to fix it," he said.

Karen Dickerson, Nevada senior deputy attorney general, said she expects the state probably will appeal to the Nevada Supreme Court. Terry Shea, Washoe County deputy district attorney for the assessor's office, could not be reached for comment.

About seven lawsuits have been filed since the taxpayers revolt began in 2003. One suit seeks to remove McGowan from office.

In the Maddox case, the judge invalidated the four specific methods used to value land.

He said they were not codified in any state regulation or statute, which would have been preceded by public hearings in which taxpayers would have a voice.

The state board of equalization, which hears tax protests, had ruled these methods did not have to be codified.

But the judge found the rules could not be uniformly and equally applied because the office had 17 assessors at the time and each was free to apply whatever method they desired. And he said the appraisers made up these formulas.

As a result, he said "taxes were not assessed on an equal and uniform basis, as required by the Nevada Constitution."

Fast Fact

THE FOUR METHODS FROM 2002 INVALIDATED TO VALUE LAND INCLUDE:

- **Lake view** ratings. In the 2002 appraisal work, appraisers used a picture book with ratings for six views of what the lake would look like inside a homeowner's house. But the book contained no set standards, the judge said. And in doing their work, appraisers would do a drive-by or "windshield" appraisal.
- **Beach** ratings. Without a picture book, rating beaches from sandy to cobble to rocky.
- **Tear-downs**. Residents complained the assessor would put all or most of the value of a property into the land if appraisers believed the property was bought with the intention of tearing down one home to build a new one. The judge ruled it was applied inconsistently.
- **Time adjustments**. With raw land sales scarce, appraisers would look at older property sales and adjust values forward to complete their studies of comparable sales. Some sales were 8 years old and adjusted upward, the judge wrote.