

Incline Village residents get new tax-fight victor

By Susan Voyles

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A Carson City judge has ordered a state tax board to review its decision upholding property values in Incline Village -- the second court ruling in less than a week favoring the village tax rebellion.

"It opens the door for the potential reappraisal, equalization and reduction of assessment in the entire Incline Village and Crystal Bay area," said Les Barta, of Village League to Save Incline Assets. "It vindicates our entire position that we have been incorrectly valued."

Washoe County Assessor Robert McGowan was not as impressed. In the long tax struggle, the Incline group has accused him of alleged malfeasance in a case now awaiting a Nevada Supreme Court ruling.

"Let them wallow in it," McGowan said of their victory boasts.

In the case, 17 homeowners protested values put on their land for the 2004-05 tax year. With a big boost the year before, they claim the values were out of line, especially when compared with values placed on similar Lake Tahoe properties in Douglas County.

The villagers lost appeals before the county board of equalization and the state equalization board before filing a lawsuit in Carson City District Court.

In the decision last week, Judge Michael Griffin sent the tax case back to the state board of equalization for further deliberation, saying he couldn't tell from the board's record whether it had equalized land values with other properties in the state, as required.

Equalization tests whether the assessor's median land values in a study area fall within a legally required range of 85 to 100 percent of market value. The median is that point where half the properties studied were higher in value and half lower.

"The board of equalization has to be transparent," the judge said. "It wasn't done, or maybe it was done and it wasn't explained. But

every taxpayer, I think, has the right to have some kind of explanation."

The judge left to the state board whether to meet soon on the issue or wait until it begins hearing appeals in March.

Karen Dickerson, Nevada senior deputy attorney general, expects the eventual loser in the case to appeal to the Nevada Supreme Court.

Then the ultimate decision would be made for any tax refunds for that year.

"We don't think there's a huge chance of that," she said.

Tom Hall, a lawyer for the tax protesters, said it's still an open question.

"We don't know how equalization will occur," he said. "Do they raise Douglas County up to Incline Village values? Or do they lower Incline to Douglas County standards?"

There's evidence Douglas County values were lower. In fall 2004, the Nevada Tax Commission raised land values substantially for lake properties in Douglas County. Along U.S. 50 and the lake, land values were boosted 60 percent in 2005 for 3,030 property owners. For the upper Kingsbury Grade area, rose by 45 percent for 4,327 property owners.

In 2004, Barta said his property tax bill was \$9,300, up from \$2,800 in 1994, because of higher land values. He said his land was valued at \$570,000 but he didn't believe it was worth more than \$350,000.

Land at Tahoe, to be sure, is highly treasured. Around the lake, the median price of homes sold in 2005 was \$889,793, up 21 percent from the year before, according to Chase International Realty.

The league estimates 6,000 to 7,000 property owners are paying excess taxes.

McGowan cautioned that Douglas and Washoe counties reappraise land in different years, making across-the-board comparisons for the same year difficult. He said Douglas is always catching up with Washoe.

The villagers claim view ratings, beach ratings and other factors used by McGowan artificially boosted their land values.

In a more important decision previously reported, Judge William Maddox last Friday invalidated the rating systems created by the assessor's office and used in reappraising the village for tax year 2003-04. He ruled the rating systems needed state approval.

For that tax year, Maddox voided their tax bills, saying residents should pay only what they did the year before. He ordered the amount refunded as well as 6 percent interest.

Dickerson also expects that case to be appealed.

New rules for valuing views, beaches and the other factors were approved by the state tax commission in June 2004.

Fast Fact

Incline Village residents have filed seven lawsuits over practices used to value their land as well as a lawsuit calling for Washoe County Assessor Robert McGowan's removal from office for alleged malfeasance. A Nevada Supreme Court decision is pending on the county's request to stop the hearing, saying the allegations against him "border on frivolous." McGowan, in office since 1983, said he hasn't decided whether he will run again this year. The filing deadline is in May. "I don't want to run away," he said. "If they think I have done something wrong, I want them to have the pleasure of tossing me out."

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