



**TAX REVOLT: 8,700 cases on the line**

## Much hinges on state equalization hearing next week

**Tax revolt case this week in Carson could yield historic decision — and more appeals** (*www.TahoeBonanza.com on 6/8/09*)

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INCLINE VILLAGE, Nev. — An all-day meeting this week in Carson City could bring a historical decision — and most likely another step in the seemingly endless appeal process along with it — for property owners in Incline Village and Crystal Bay who are disputing Washoe County's tax policies.

The Nevada State Board of Equalization on Wednesday will hear a case regarding the 8,700 Incline Village/Crystal Bay properties named in an October 2008 Nevada Supreme Court decision, and a potential ruling to roll back assessed property values for those properties to the 2002-2003 tax year — estimated at \$12 million — is expected by day's end.

“They decide right there; they'll go on the record,” said Terry Rubald, chief of the Nevada Department of Taxation's assessment division.

The hearing, which begins at 9 a.m. Wednesday at 1919 College Parkway in the Gaming Control Board Room in Carson City, is part of SBOE's three-day monthly board meeting.

A decision could take a full day of debate with factors like a board composed of new members, a hearing dealing with thousands of cases and open public comment, Rubald said.

“They'll be reviewing a County Board of Equalization order to generally equalize, and that's something that's never been heard before,” she said.

### History of the case

The Nevada Supreme Court on Oct. 30, 2008, ruled that the Nevada State Board of Equalization is within its jurisdiction to hear and offer an opinion on a case involving the 2006-2007 taxation year, in which the Village League to Save Incline Assets is representing 9,000 Incline Village and Crystal Bay parcel holders.

On March 8, 2006, the Washoe County Board of Equalization issued a general equalization decision for the 2006-2007 tax year, rolling back taxable valuations for about 8,700 IV/CB properties. The Washoe County Assessor (at the time, Bob McGowan) appealed the decision to the SBOE, which failed to consider the case until April 2007, and subsequently remanded the case to the WCBOE. The other 300 parcel holders involved in the 2006-2007 tax year already received settlements.

The Village League then filed suit against the state board, Washoe County, the Washoe County Assessor and Washoe County Treasurer, asking for the Supreme Court to declare that the SBOE's decision to remand the case to the WCBOE to be in "excess of its jurisdiction or an arbitrary exercise of its discretion," the opinion reads.

According to the Oct. 30 opinion — which can be viewed in its entirety in a PDF format at [tahoebonanza.com](http://tahoebonanza.com) — the court agreed the SBOE did have jurisdiction to hear the cases and demanded the SBOE "vacate its remand order and proceed with its consideration of the Assessor's appeal of the County Board's equalization decision on the merits."

### **What's next**

If the SBOE rules in favor of Incline Village/Crystal Bay, Washoe County would shoulder the \$12 million refund.

According to the Oct. 30, 2008, High Court ruling, "In oral argument before this court, the State Board noted that the County Board's equalization decision (2006) affected \$12 million in revenue."

In a Nov. 5 Bonanza story analyzing the decision, Washoe County Manager Katy Simon discussed the county's stance.

"That decision will be made if and when it is necessary," said Simon, about a potential payback plan. "No county in Nevada has ever technically gone bank-rupt that we know of, and we don't expect Washoe County to go bankrupt.

We have already cut \$54 million in spending over the past three years in prudent response to the economic down-turn. Services would be reduced to offset the amount of refunds, if required."

Washoe County on May 18 approved its 2009-2010 budget, coming in \$67.7 million less than fiscal year 2008-2009.

If the decision is in favor of IV/CB, Washoe County could appeal the ruling to the U.S. District Court of Nevada.

"If the decision is adverse to the county, we will appeal," said David Creekman, a chief deputy attorney with Washoe County.

Conversely, if the ruling goes in favor of the county assessor, the Village League would appeal, said Maryanne

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