



*www.TahoeBonanza.com, July 14, 2011, page 6*

# The Incline Village/Crystal Bay tax revolt

## Guest column

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### **Chuck Otto**

Special to the Bonanza

INCLINE VILLAGE, Nev. — The headline read “Nevada Supreme Court Rules Against Washoe County in Incline Village Property Tax Case.” This decision was the culmination of a battle between the forces for equality and justice versus the bureaucracy of governmental agencies and their ill-advised District Attorney. In the end equality and justice prevailed but not before the County put itself and all of its residents in harms way. Read on...

Background: What if you opened your mail back in 2002 and found that your property tax had increased by 35 percent? 50 percent? 100 percent or more? Would you be upset? Would you wonder why? Well, one resident was determined to find out. Her name was Maryanne Ingemanson. And, what she discovered was quite disturbing — she was not alone. An entire community of nearly 9,000 residents was similarly affected. So, she convened a board of interested property owners with a variety of skills to determine the cause of this unusual tax hike. This assemblage became the Village League to Save Incline Assets.

Findings: After investing several man-years in research, meetings, inquiries, workshops and engaging of experts, it was determined that the County Assessor was using appraisal methods dreamed up and applied to IV/CB that were not used by other

counties and were even different than those used within other parts of Washoe County. Legal counsel then determined that these methods were both unconstitutional and illegal. But, the bureaucracy did not see it that way nor did they seem to care. The battle was on.

The Journey: The story is long and complicated but here is the Reader's Digest version.

The matter could have been settled in the beginning for less than \$100,000. But no, the County wanted to prolong the agony. Between 2002/2003 and today the Village League won victory after victory at the County and State Boards of Equalization as well as in District and Supreme Courts, but again, the County used every legal maneuver to prolong, dodge and avoid the inevitable. Efforts to resolve the dispute fell on County deaf ears. Finally, on July 7, 2011 the Supreme Court ordered the County Treasurer to pay back the illegal taxes, gained over the years, to all Incline Village/Crystal Bay residents.

The Cost: The Village League had to raise money into 7 figures to fight for taxpayer rights. The County, using your tax dollars, ran up their own legal costs. What could have been resolved for less than \$100,000 has now ballooned to an estimated cost of more than \$40,000,000. How can that be?

Well, the County stubbornly and consistently continued to collect taxes using

illegal and unconstitutional methods for years knowing full well that these methods were being challenged and that ongoing court decisions were being ruled against them. Yet, they persisted in using legal maneuvers to appeal, delay and try to drain the energy and resources of the protesters. And, as the amount of illegally collected taxes grew, so did the interest that was accruing at 6 percent per annum. Hence, the \$40,000,000 plus that is now due.

Where from here? The County Treasurer must follow the mandate of the Supreme Court decision — pay back the money owed. The Supreme Court, as they have done consistently during this 9-year journey, rendered a thoughtful, specific and sound legal opinion. The County has known for two years that a Supreme Court decision was

forthcoming and they've had plenty of time to plan for timely payments to the victims and to budget/reserve for the outcome. Further delay and stalling will be costly.

With the amount owed estimated at \$40 million dollars plus 6 percent interest, the meter is clicking.

Your money is being wasted to the tune of nearly a quarter of a million dollars a month or \$2.4 million a year! Let's hope the County quickly executes the Order of the Supreme Court to repay the illegally and unconstitutionally gained property taxes that they have collected.

*Chuck Otto is a part-time Incline resident and board member of the Village League to Save Incline Assets.*

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