

Proposed Washoe vehicle tax for Incline refunds gets backing

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To pay tax refunds ordered by the Nevada Supreme Court to 8,700 Incline Village homeowners, Washoe County staff is recommending the county borrow \$17 million from its risk management fund and impose a 1 percent tax on vehicles to replenish the fund.

The County Commission on Tuesday will be asked to identify the risk fund as the source of the tax refunds and prepare an ordinance to be heard in September to impose the proposed tax. It would raise \$8 million a year.

The risk fund has \$32 million to pay property, liability and worker compensation claims. But with known claims requiring payments over the next several years and the need to have money on hand for other potential claims, the fund must be made whole again, said John Sherman, county finance director. "We are self insured. We have to have money to pay those claims."

The plan is the only doable option, according to a staff report released Thursday.

In all, the villagers will get \$40 million in tax refunds. The school district, Incline fire district and Incline general improvement

district and the state, which all benefitted from higher property valuations, will pay the remainder.

While the school district and the Incline entities have saved some money for the refunds, staff is asking the commission to require the county treasurer to withhold their share of tax payments to pay the remainder.

The Supreme Court on July 7 upheld Washoe District Court Judge Brent Adams' order that the refunds be paid.

The payments stem from a long-running legal battle over former county assessor John McGowan's decision to use special rules to view Tahoe views, beaches and attributes without state approval. Another judge ruled those rules unconstitutional in an earlier tax case, a decision that was upheld by the supreme court.

For the 2006/07 tax year, the County Board of Equalization rolled back property values to 2002-03 levels for 8,700 Incline property owners in following the lower court decision as ordered by the supreme court. That was eventually upheld by the state board and Adams.

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