

Incline tax revolt: IVGID backs out of fire district's lawsuit

Days earlier, Supreme Court issues ruling that could have major statewide implications

Deadline set

On Friday, Judge Brent Adams ordered Washoe County and its treasurer, Tammi Davis, to issue refunds regarding the \$43 million Nevada Supreme Court case to all Incline Village parcels no later than 5 p.m. on Aug. 23, 2013.

Six percent interest will continue to accrue on refunds until paid.

According to the most recent status report from the county, as of Feb. 14, about \$10.9 million of the refunds have been issued, reflecting 767 parcels of the some 8,700 in line for a refund.

Taking the figures a step further: The average refund doled out among the 767 parcels is about \$14,211.

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INCLINE VILLAGE, Nev. — The Incline Village General Improvement District is pulling out of litigation against Washoe County regarding property tax revenues being withheld in order to pay back a court-ordered \$43 million refund tab to local homeowners.

In a 5-0 vote Wednesday afternoon, the IVGID board of trustees decided to not join in on an appeal filed earlier this month by the North Lake Tahoe Fire Protection District. The litigation challenges the county's decision

to withhold about \$6.5 million (about \$1 million of which is estimated as interest) from the fire district over the course of the refunds being paid back.

In late January, IVGID joined the suit, as both entities share similar complaints. According to previous reports, IVGID owes about \$1 million to the \$43 million pot. Of that, about \$150,000 is estimated as interest, IVGID legal counsel Scott Brooke said Wednesday.

While IVGID board members agreed Wednesday they still feel the county commission's vote last year for staff to withhold the funds to help pay back the refund is not right, they also recognized the potential cost to continue litigation.

Brooke estimated it could cost the district as much as an additional \$25,000 to continue on with the suit. Considering IVGID may only be successful in winning the argument that, at the least, the districts should not be held accountable for interest, trustees agreed spending money to make that happen probably isn't worth the risk.

"Because of the small amount we're dealing with ... I don't support appealing," said trustee Chuck Weinberger.

Brooke also informed trustees that despite the fire district's rejuvenated attempts to meet

with the county on a possible settlement, the “chance is ... small for those negotiations.”

Another Supreme Court ruling Wednesday's vote comes after a much more significant development in the nearly decade-old Incline Village tax revolt saga.

The Nevada Supreme Court issued an order on Friday in favor of a suit filed years ago by the Village League to Save Incline Assets (the grassroots group of Incline Village tax revolters), meaning the issue could become a state-wide one, the potential impacts of which are unclear.

According to previous reports, the village league filed one of its first complaints with Washoe County District Court on Nov. 13, 2003, requesting Flanagan to order the Nevada State Board of Equalization to equalize property values statewide while declaring the 2003-04 tax assessments for Incline and Crystal Bay property owners — as well as some lakeside properties in Douglas County — null.

The court dismissed the complaint in a 2004 ruling. The village league then appealed to the Nevada Supreme Court, which, in 2009, reversed part of the court's 2004 order, thus allowing the league to file an amended complaint in district court, which it did later that year.

On April 13, 2010, Flanagan denied that portion of the Village League's complaint. The village league appealed that ruling to the Supreme Court, which ruled last week in favor of the village league by directing the district court to send the case to the State Board of Equalization to possibly equalize property valuations throughout the state.

“Our goal has always been to obtain equal and uniform property taxation for every taxpayer and the Nevada Supreme Court agrees,” the Village League posted on its website. “We applaud this courageous decision by the Supreme Court Justices.”

The State Board will stage hearings on creating a uniform property assessment throughout the state, as required by Nevada law. No dates have yet been set.

Washoe County has maintained throughout the near 10-year tax revolt saga that the state of Nevada is at fault for not having an updated and regulated property valuation system.

“Once again the Supreme Court has recognized the state of Nevada and the world of property valuations have not performed their duties,” David Creekman, an assistant district attorney with Washoe County, told the Reno Gazette Journal on Monday.

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