

Property owners still war despite tax cap

.... Washoe land values continue to increase
County's taxable value for new year is up 12 percent

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When Donald Thayer got his property assessment notice from Washoe County for next year's taxes, he just about flipped.

His land value increased 74 percent to \$95,800, bringing the total taxable value for his 1994 home in Spanish Springs Village to \$241,345 for the tax year starting July 1. That's up from \$201,338 this year.

Thayer said he knows under state law his property taxes can go up by only 3 percent from the \$2,035 in taxes paid this year.

But he is also aware the Nevada Legislature can change the law, which could make his property taxes skyrocket.

"I think the county wants to have a lot of land of their own. They are going to tax people out of their homes," said Thayer, who retired from Southern California. "They scare me."

Steve Haley, a Keller-Williams broker and outgoing president of the Reno-Sparks Association of Realtors, said there's no reason to panic.

"The property taxes are what they are," he said. For homeowners, "the most they can go up is 3 percent. That's very reasonable."

The tax system, Haley said, is much better than California's Proposition 13, which has almost bankrupted the state. Once someone buys a home, their property tax is frozen.

Washoe County Assessor Josh Wilson said he wouldn't disagree with either stance.

"At the heart of the issue is the rapidly appreciating market we saw over the last 36 months," he said. "It doesn't surprise me that there is a substantial increase in values."

Wilson said the state-imposed tax caps were designed to provide predictability, given fluctuations of the home market in Nevada.

If sales prices decline, he said that would be reflected in property values in 2008-09.

Washoe County's taxable property value is \$45.8 billion for the new tax year starting July 1. That's 12 percent ahead of the current tax year and values will continue to be adjusted until June 30.

The 2005 tax law will blunt the impact to most homeowners of the 3 percent increase over their current tax bills. Assuming the property tax rate remains the same, officials said some homeowners won't even see a 3 percent increase in their tax bills if their taxable values haven't risen.

For the coming tax year, residential land values were not changed for old northwest Reno, northeast Reno and central Sparks. Those areas were part of a mass appraisal for the current tax year and land prices didn't change.

And officials said building values usually don't change much because of depreciation.

Other neighborhoods dotted with new homes also escaped an increase in land values and include ArrowCreek, Montreux, Casazza Ranch Estates and Incline Village and Crystal Bay lakefront parcels.

The North Valleys, Sun Valley, Spanish Springs and other northern communities were all subject to a mass reappraisal for the new tax year. Every year, one-fifth of the county is physically reappraised for taxes. Property tax rates are assessed on 35 percent of the taxable value.

For the north region, the total taxable value of property stands at \$8.5 billion, up 38 percent from last year. Land values rose 94 percent.

The high land values are partly a reflection of a large number of new subdivision lots. Since July, 1,727 new parcels were created in the north region -- more than half of 3,362 new parcels in the county.

The county has 163,493 parcels.

While Haley supports the current tax system, he said he expects the Legislature will have to do some tinkering.

By July, tax increases on an owner-occupied home will have been capped at 6 percent under the 2005 state law.

But the tax bill will have increased by 14.9 percent for most rental homes. That's 6.9 percent for the current tax year and 8 percent for the tax year in July.

So someone buying an investor's home would pay more in taxes than if buying an identical home occupied by the owner.

"We won't see the full impact for another one to two years," he said.

The higher tax cap applies to all residential properties rented above federal minimum-income

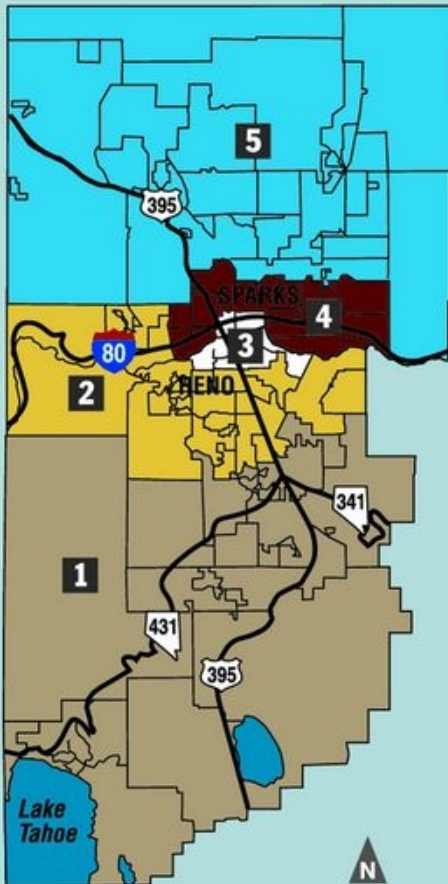
levels, second homes, vacant land and commercial properties.

Learn more

When people review their property valuation notices from the Washoe County assessor's office, they should check the county Web site to make sure that facts such as the age or square footage of their homes are correct. Fourteen appeals had been filed as of Friday afternoon. To ask questions or request a form to appeal property values, people can call 328-2233. People have until Jan. 16 to turn in their appeal forms.

Washoe County property appraisal areas for 2007-08

To determine taxable property values, Washoe County revalues all buildings based on Marshall & Swift appraisal methods every year. To value land, the assessor does an in-depth, mass appraisal of one-fifth of the county each year.



- 1 South County and Incline Village:**
Residential: 15 percent increase in land values with the exception of ArrowCreek, Montreux, Casazza Ranch Estates, Incline and Crystal Bay lakefront parcels. In these specific areas, taxable values already reflected at least 85 percent of the land sales prices studied.
Commercial land: No change.
Last mass appraisal: 2003-04 tax year
- 2 South Reno and west Reno:**
Residential: 6 percent increase in land values. No change in Somerset development.
Commercial land: 8 percent increase.
Last mass appraisal: 2004-05
- 3 Central Reno and southeast office/industrial:**
Residential: 17 percent increase in land values.
Commercial land: 23 percent increase.
Last mass appraisal: 2005-06
- 4 Old northwest, northeast Reno and central Sparks**
Residential: No change in land values.
Commercial land: No change in land values.
Last mass reappraisal: 2006-07
- 5 North Valleys, Sun Valley and Spanish Springs**
Residential and commercial: All 50,000 parcels were reappraised.
Total taxable value for the area stands at \$11.7 billion, a 38 percent increase, reflecting higher land values. The area has 51,940 parcels, including 1,727 parcels added since June.

Source: Washoe County Assessor's office.

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