

November 11, 2019

Washoe County Board of County Commissioners
Vince Hartung, Chairman
Bob Lucey, Vice-Chairman
Marsha Berkbigler
Kitty Jung
Jeanne Herman

Dear Chairman Hartung, Vice-Chairman Lucey and Commission Members:

As the Board of the Village League to Save Incline Assets and as Washoe County property taxpayers, we are writing this letter to address Item 29 on your November 12 agenda regarding a potential appeal of the District Court Judge Drakulich's October 21st, 2019 decision ordering refunds of tax overpayments to residential property owners throughout the Incline Village/Crystal Bay area. We ask that this letter be included as part of the record in your discussion and possible action on that agenda item and that you consider the alternate action of seeking an independent second opinion.

We refer you to the Court's thoughtful, thorough and well-reasoned 57-page opinion. No informed vote to appeal the District Court decision can be made without reading that opinion particularly for its rejection of the County's and State's arguments.

The County has already admitted that the Assessor's Office valued the land portion of thousands of residential properties at Incline Village/Crystal Bay unconstitutionally and unlawfully for the tax years 2003/2004, 2004/2005, and 2005/2006. It is not disputed that improperly valued land resulted in admittedly void, unconstitutional and excessive property tax assessments for those years.

By appealing the District Court decision, the County will be asking the Supreme Court to not only reverse its prior decisions but to endorse and approve admittedly unconstitutional assessments. We submit that would be wholly inconsistent and out of character with every Supreme Court decision involving Washoe County's unconstitutional property valuations to date.

Before proceeding with a costly appeal, we would suggest that you first vote to retain outside counsel, precluded from conducting any appeal, to provide an independent evaluation of the merits of an appeal and the likelihood of the County's success.

An additional invaluable resource is the current Washoe County Assessor. Besides being a subject matter expert he has attended many of the administrative agency and court hearings, including those before Judge Drakulich. You would benefit from his insight, expertise and recommendation regarding this matter.

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This dispute has already cost Washoe County taxpayers millions of dollars in accrued interest required by law when excess taxes have been assessed. The prior appeals in this case have taken an average of three years resulting in three published rulings against the County. At an average rate of approximately 7.5% per annum, the interest alone on the overpayments by Incline Village/Crystal Bay homeowners is presently costing all Washoe County taxpayers more than \$5,000 a day. Three years is more than 1000 days. At that rate, another appeal could cost all taxpayers more than an additional \$5 million.

In summary, we are simply suggesting that the Commissioners fully inform themselves in this matter by;

- 1) Studying the complete Court order
- 2) Obtaining an independent legal opinion
- 3) Obtaining the input of Washoe County's Assessor.

Respectfully,

Village League to Save Incline Assets

Todd Lowe, President,
Les Barta, Vice President
Dale Akers
Dean Ingemanson