



www.TahoeBonanza.com, June 14, 2006, front page

Tax revolters get day in court

Village League to Save Incline Assets has high hopes for favorable Supreme Court ruling Thursday

If you go:

- **Where:** Nevada Supreme Court, 201 South Carson Street, Carson City
- **When:** 11:30 a.m., Thursday, June 15

Andrew Pridgen

Bonanza News Editor,
apridgen@tahoebonanza.com
June 14, 2006

This is it.

It's the fourth quarter, the bottom of the ninth, match point, the tenth frame, the stroll up the 18th on Pebble ... again, this is it.

Incline Village-based League to Save Incline Assets since 1998, but in an official capacity since 2002, has fought to "right the wrongs" for local property owners and make the county, and eventually, the state, come clean with its assessment, appraisal and ultimate property taxation processes.

The result has been a roller-coaster ride for the handful of individuals involved from the onset.

Led by local entrepreneur Maryanne Ingemanson, the group has mired itself in litigation and won district court victories, lost a battle to remove Washoe County assessor Bob McGowan from office and spent upwards of \$450,000 in legal fees for the effort - to mention nothing of the thousands of volunteer hours spent.

"This is a comment on real grass-roots community effort among other things," said Incline resident and tax revolter Chuck Otto.

The pay-off comes Thursday as the group, which has now been atypically thrown into the national spotlight, will see a district court decision in its favor debated in front of Nevada Supreme Court justices at 11:30 a.m.

"I'll be at the hearing because the DA's office wants me there," county assessor Bob McGowan said. "The hearing on Thursday is on the (first) 17 cases. If the supreme court reverses (the district court decision), they'll say 'hey, it's only the first 17' and they'll keep pushing.

If (the court) were to affirm Maddox, it would certainly go a long way in furthering what the league is pursuing. If it doesn't, I guess it'll go the other way."

If the district court decision is upheld by the court, that "long way" could spark a wholesale rollback and rebate of property taxes that is in the \$30 million range, revolt group officials estimate.

While the arguments will be quick (15 minutes per side), the decision may not come down from the supreme court for weeks. Group leaders, ever patient, say that's a "small amount of time to wait - for a decision so big."

"(That) we're in front of the (supreme) court this fast is amazing in itself,"

Ingemanson said. "We were sped through the court because I think people, (from both) sides are wanting to see what's going to happen.

"I think the state wants to see what's going to happen."

Several tax revolters noted they felt the onus on the state supreme court to deliver a decision before July 10, the day this year's property tax assessments will be sent out to homeowners in the area.

Nevada's current property tax laws were created in 1981. A measure mirroring California's Proposition 13 was narrowly voted down by the legislature that year. What ensued was a set of rules that tax revolt officials estimate, made it "convenient for a bureaucracy and ambiguity to rise."

"It's an incredible mess how the system works now," Ingemanson said. "It is intertwined and everyone is layered in bureaucracies and they all cover each other.

"The bigger question here, and hopefully, the bigger cause is to unwind this intertwined system and bring fairness back."

The county assessor said he's not going to argue the system at the supreme court level - rather whether his office followed rules correctly.

"We're convinced that we've been doing the things we're supposed to," Maddox said. "The decision in the case against me, which was dismissed, has supported in part that what the league has been (saying) is not so.

"I don't have an axe in the fight, or the dog in the fight as they say in the South. I get paid to sing, so we want (the job) to be done right. I have no animosity toward the (tax revolters). To me it's not personal."

If Thursday's decision does not go in the tax revolt group's favor, the process ostensibly starts all over again, as they've filed grievances with district courts on 2003-'04 assessments, 2005-'06 assessments and so forth.

"We'll keep at it if we have to, but we're hoping that this is the end of the line," Ingemanson said.

Tax revolters maintain that the more than 30 percent property tax hike they experienced in 2002-'03 was "unfounded, without merit and based on no exact science."

"The county appraisal method hold no standards," Ingemanson said. "So you can live next door to a similar home and your (assessment) could be 100 percent different."

From the predictable: valuation of lakefront "teardowns" as lots without making allowance for any of the infrastructure (or actual structure), thereby skewing the values of lots in all of Incline; to the sublime: arbitrarily defining the value of a lakefront lot based on the number of rocks within a certain number of square feet - the tax revolt group feels the state court will recognize what district court judges already have, that the system "is broken."

Tax revolters expect nearly 100 Incline property owners to make their presence felt at tomorrow's hearing. Revolters from as far away as New Hampshire, New York and Florida may be present in the Carson courtroom to view the proceedings, a physical show of support that Ingemanson feels is important.

"Usually, there's not many people there," Ingemanson said. "But they know we're serious and we'll be there to show support."

In January, a pair of Carson City district judges sent property tax appeals to the State Board of Equalization for further scrutiny and review. County assessors office officials at the time didn't think the revolt group's "victory" in court was so notable.

"First of all they're misrepresenting what happened in the court," John Faulkner, chief deputy assessor, told the Bonanza in January. "The judge remanded the case back to the state board to ask for information as to whether or not they did review the different counties to see if there's an equalization issue

...

"That's it."

Regardless of Thursday's decision, Ingemanson said property tax reform is "high on the list" for the next legislation, and beyond state lines - may set a trend nationally.

"We may (get) relief for 8,700 people," Ingemanson said. "It's interesting how this has been followed all over the country. Property taxes are a huge, huge problem. People are sick of the ever-changing rules.

"We're the first group to see this through. But we've seen what has happened. People have been forced to move, they've been forced to take out reverse mortgages on their home. The (county assessors) have done things backwards, they've circled the wagons around the Indians.

"But the result, we feel, will be change. There will be change."

(the following was not published in the paper, but was published on the North Lake Tahoe Bonanza website)

Timeline from the Village League to Save Incline Assets:

- December 2002: Village League began tax revolt by hiring the legal firm of Azevedo and Geunaga to represent league members
- February 2003: The first property tax assessment appeals were heard by the County Board of Equalization. 110 appellants from Incline were represented. The board agreed to reduce assessments on lakefront parcels by 10 percent.
- April 2003: County tax commissioners after hearing arguments by attorney Norm Azevedo voted to open hearings on the regulation-making process.
- July 2003: Tahoe Tea Party kicks off protest in throw-back garb at Burnt Cedar beach

- August 2003: State Department of Taxation hosts a workshop to explain methods assessor is using to value property in Incline Village.
- October 2003: Tax revolt group files first lawsuit - a complaint for judicial review in the district court (filed by Norm Azevedo.)
- March 2004: In total, four lawsuits have now been filed.
- June 2004: 4,460 petitions of protest have been signed by Incline Village property owners.
- July 2004: New rules for appraisal and valuation adopted.
- September 2004: Oral arguments filed before (district court) Judge Maddox in the taxpayers' case for judicial review for the 2003-'04 tax year.
- January 2005: County Board of Equalization voted to consolidate hearings for 1200-plus petitioners in Incline Village/Crystal Bay.
- April 2005: Tax revolters instrumental in helping get a 3 percent residential property tax cap signed into law.
- January 2006: Judge Maddox issues an order in tax revolters' favor saying that local property taxes were not equalized. This is the decision to be ruled on in supreme court. Tax revolters say they've been overhared some \$20 million since 2002-'03
- March 2006: All 8,700 parcels of land in Incline Village/Crystal Bay would be reviewed for equalization by both county boards of equalization. Both boards decide the tax revolters are right.
- June 15, 2006: State supreme court to review Judge Maddox's decision.

###