

Washoe County ordered to refund 830 Incline parcels

Official: finding money ‘going to be a struggle’

Kevin MacMillan
BONANZA EDITOR
kmacmillan@tahoebonanza.com
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Residents hoping to see immediate dollar signs from U.S. District Court Judge Charles McGee’s recent order for a tax rollback for some 830 Incline Village and Crystal Bay parcels may have to wait a few more weeks.

McGee’s Dec. 19 ruling directs the Washoe County Assessor’s Office to return the land valuation of the affected parcels, which challenged the assessed values from the 2005-2006 tax year, and roll back the tax rates to the 2002-2003 levels, plus interest.

Washoe County Treasurer Bill Berrum will take on each parcel separately, coming up with refund totals based on recommended valuations from the assessor’s office.

Until all refunds are determined, a total price tag for how much money the county must refund Incline and Crystal Bay can’t be determined, Berrum said.

“It might take a few weeks; 800 is a lot to do. It’s an extensive process,” Berrum said in a Wednesday phone interview. “And it’s happening at exactly the same time as the third installment (of taxes) is due, so it’s going to keep a lot of people busy down here.”

McGee’s ruling references recent decisions handed down from the Nevada Supreme Court, most recently the high court’s July 25 ruling, which decided that various taxation departments, including the state board of equalization, were unconstitutional in the way they assessed Incline

Village properties during the 2004-2005 fiscal year. The court’s opinion demanded a roll back to the 2002-2003 assessed levels, plus interest, for 38 parcel owners in the case, known as the Barta case.

A similar ruling was handed down in November 2006 in the Bakst case, which involved 17 Incline parcel owners arguing assessed property values from 2003-2004. Both cases have since seen refunds.

McGee’s order says the 830 parcels in question for the 2005-2006 tax year fall in same category as the Bakst and Barta rulings, in that unconstitutional methodologies were used to assess the property values.

“This is just a wonderful Christmas present for us; it affects an enormous number of people,” said Maryanne Ingemanson, president of the Village League to Save Incline Assets, the nonprofit group of Incline tax revoltors. “It’s such a powerful decision because it’s a direct order from the judge. We’re absolutely thrilled beyond belief.

I think we’re starting to get people’s attention now.”

In all, about 1,130 parcels were named in Judge McGee’s ruling; however, McGee ruled that about 300 units, dubbed “condominium parcels,” need to be heard as soon as possible by the Washoe County Board of Equalization to determine if they fall in the same category as the other 830 parcels.

What’s next

While it’s impossible to predict how much in refund money could be coming to the 830 parcels,

Ingemanson estimated the price tag could be several million dollars.

The Washoe County Assessor's Office is working to come up with the new values, which will be provided to the county treasurer's office. The assessor's office hopes to have values ready by early next week, said Theresa Wilkins, an administrator for the county assessor's office, speaking on Wilson's behalf, as the assessor was out of the office this week.

Once Berrum receives the information, he will assess the value, add the interest and factor in an abatement (that 2005 tax cap, signed into law in 2005 as Assembly Bill 489) for each case. Once all parcels are calculated, Berrum will start writing refund checks.

As for where the money will come from within the county, Berrum said he is unsure.

"Well, we're working with our finance division on that — I know I'm instructed to write the checks," Berrum said. "Where we find the money is going to be a struggle. A lot of the money the county has isn't really the county's — much of it already is invested and earmarked. It most likely will have to come out of operating funds, but I can't be sure.

"It's going to be a kind of a double-whammy, considering how we are looking at budget reductions from a county standpoint. It's surely going to be a challenge."

In a Nov. 5 North Lake Tahoe Bonanza story, Washoe County Manager Katy Simon commented on what would happen if the county is ordered to shoulder a large refund to Incline and Crystal Bay residents.

While Simon declined to reveal details on a payback plan, she did say it was something at which the county has been looking.

"That decision will be made if and when it is necessary," said Simon in the Nov. 5 story. "No county in Nevada has ever technically gone bankrupt that we know of, and we don't expect Washoe County to go bankrupt. We have already cut \$54 million in spending over the past three years in prudent response to the economic downturn. Services would be reduced to offset the amount of refunds, if required."

Phone calls seeking comment for this story from the Washoe County Manager's office went unreturned.

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