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Washoe County Board OK's 2009-2010 tax cuts

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The Washoe County Board of Equalization on Monday cut county land values 15 percent for the 2009-2010 fiscal year, citing a continued rise in home foreclosures as its reasoning.

The decision has prompted the local tax revolt group to do something it hasn't done the past six years — not argue an assessed land valuation.

“We are withdrawing all our class action petitions and encouraging the people who filed individually to withdraw their petitions as well,” said Maryanne Ingemanson, president of the Village League to Save Incline Assets, the nonprofit group of Incline and Crystal Bay tax revolters.

Ever since the 2002-2003 tax year, when the tax revolt began, Incline residents have petitioned the county for what they felt were unfair land valuation methods.

The number of petitions have ballooned in some years to more than 3,000.

For the 2009-2010 tax year, more than 900 Incline residents filed petitions by the Jan. 15, 2009, appeal deadline, arguing that the 10 percent property land value tax cut from the assessor's office last fall was too low. Additionally, the Village League also had filed four class-action petitions, including all Incline and Crystal Bay residents, against the county.

“We're thinking we're thrilled, and we're thinking we don't have to file any lawsuits this year,” Ingemanson said. “Of course, we still have 10 pending court cases that have still to be resolved.”

At Monday's meeting, County Assessor Josh Wilson asked the board to take the step because of a steep drop in home prices in the second half of 2008.

“Not only are we seeing a spike in the number of foreclosures, we're starting to see foreclosures in exclusive areas such as Lake Tahoe, Caughlin Ranch and Arrow Creek,” he said.

According to Washoe County Assessor research, the median selling price of homes, county-wide, for the first half of 2008 was \$290,000. For the second half, that median price dipped to \$250,000, a 13.79 percent difference.

In another statistical model, the county looked at home sales by quarter. For the second quarter of 2008 (April 1 through June 30), the median price was \$285,000. For the fourth quarter (Oct. 1 through Dec. 31), the median price fell to \$235,000, a 17.54 percent decrease.

Under state law, Wilson said the assessor can adjust values only a year in advance of when the new property values are taxed. After July, the board has sole authority to adjust land values based on market conditions.

“We are finding a lot of disgruntled taxpayers that are being asked to pay taxes on values that are no longer there,” Wilson said at Monday's board meeting.

Wilson added he had no idea what impact the reduction will have on county property tax collections.

“I'm concerned with property valuation, and that takes the tax consequences out of my hands. That's my job,” he said.

The 15 percent drop in land values is on top of a 10 percent cut in property values, including buildings, made last fall after county staff reappraised the county.

Last week, Washoe County Finance Director John Sherman issued the following statement regarding the additional 15 percent cut.

“The 15 percent reduction referred to by the assessor is related to a reduction in average taxable values, not to the property tax bill on an individual parcel, or to overall revenues,” Sherman said. “And, each parcel’s tax bill will need to be calculated individually based on their current valuation and the effects of the

legislatively-mandated tax cap, resulting in a unique outcome for each property owner. Some property tax bills may decrease while others may increase depending on past valuations.

“One thing that is certain, however, is that we expect the 2009-2010 property tax revenues to be flat at best.”

The Associated Press contributed to this report.

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