

TAX REVOLT: Unanimous decision

State tax board orders county to roll back

If called upon, various public entities prepared to refund up to \$13 million

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INCLINE VILLAGE, Nev. — Washoe County could owe taxpayers of Incline Village and Crystal Bay an estimated \$12 million after the Nevada Board of Equalization ruled Monday to roll back assessed property values for 8,700 Incline Village/Crystal Bay properties to the 2002-2003 tax year.

It took the five-member equalization board about 10 to 15 minutes to render a unanimous decision.

“This is a huge win for us,” said Incline resident and Village League to Save Incline Assets member Les Barta. “We’re hoping the county will do the responsible thing and pay us back and not drag this out any farther. If they do that, then this whole controversy might be over.”

However, Washoe County may appeal that decision to Nevada District Court.

In a press release this week, the county said they would advise county officials of its recommendations. Appeals must be filed within 30 days of the Nevada Board of Equalization's decision.

County spokeswoman Kathy Carter said no timetable is set for a decision to appeal, or not. An appeal would delay any money

returning to local property owners or agencies.

“I do not have an indication if we will appeal,” Carter said. “It’s ultimately up to the county commission.”

Monday's hearing regarding the 2006-2007 tax year took place at the Washoe County Administration Complex in Reno. Board of Equalization members heard arguments from the two sides: the Village League — which represented the 8,700 local properties — and the Washoe County Assessor's office, represented by David Creekman, a deputy district attorney with Washoe County.

In the Monday press release, Creekman said the county was “very disappointed” with board's decision, adding that they have always addressed lawsuits in a way that “ensures fairness and equality for all taxpayers.”

Creekman continued: “In the end, however, it's most important that the right decisions are made for all taxpayers regardless of where they reside. Fairness in taxation requires government officials and taxpayers to follow the laws. The State Board's failure to correct the 2006 decision has far-reaching implications for how disputes over property tax bills will be addressed in the future.”

The money

The ruling means Washoe County's agencies must pay for the refund, worth millions of dollars, which did not surprise a number of local and regional leaders.

According to previous county budget meetings, if Washoe County foots the bill, the money will be divided among the county, Incline Village General Improvement District, Washoe County School District, North Lake Tahoe Fire Protection District the State of Nevada.

The county, for example, planned for a potential roll back regarding this case during budget planning for the current 2009/2010 fiscal year, Carter said, aiming for as much as \$13 million.

Finance Director John Sherman, with \$13 million in mind, said Washoe County's burden would total \$5.5 million, with the Washoe County School District footing \$4.5 million and the North Lake Tahoe Fire Protection District, \$2 million. The State of Nevada would lose \$700,000, with Incline Village General Improvement District losing \$300,000.

Carter said the money is ready to be doled out if that is the case.

"It's just prudent financial planning on our end," Carter said. "We've put that money aside in the current fiscal year budget."

Gary Kraemer, chief financial officer of business and finance of Washoe County School District, said the district put aside roughly \$6 million in general fund allocations for the current fiscal year in anticipation of footing part of bill.

Money also is ready to go, if needed, with the Incline fire district.

"We've been setting aside funds, just to be prudent, the past four budget sessions now ... we made the decision several years ago," said NLTFPD Chief Mike Brown. "So we have funds set aside, at best estimate of what the final outcome may be."

At IVGID, the district has \$250,000 available for a tax refund.

"If it turns out to be significantly more (than \$250,000), then we may have to cut a capital project," Horn said.

Case history

The Nevada Supreme Court on Oct. 30, 2008, ruled that the Nevada State Board of Equalization is within its jurisdiction to hear and offer an opinion on a case involving the 2006-2007 taxation year, in which the Village League to Save Incline Assets is representing 9,000 Incline Village and Crystal Bay parcel holders.

On March 8, 2006, the Washoe County Board of Equalization issued a general equalization decision for the 2006-2007 tax year, rolling back taxable valuations for about 8,700 area properties. The Washoe County Assessor (at the time, Bob McGowan) appealed the decision to the Board of Equalization, which failed to consider the case until April 2007, and subsequently remanded the case to the county's board of education. The other 300 parcel holders involved in the 2006-2007 tax year already received settlements.

The Village League then filed suit against the state board, Washoe County, the Washoe County Assessor and Washoe County Treasurer, asking for the Supreme Court to declare that the Board of Equalization's decision to remand the case to the board of education to be in "excess of its jurisdiction or an arbitrary exercise of its discretion," the opinion reads.

According to the Oct. 30 opinion, the court agreed the board of education did have jurisdiction to hear the cases and demanded the education board "vacate its remand order and proceed with its consideration of the Assessor's appeal of the County Board's equalization decision on the merits."

PAYING YOUR TAXES

With 2009/2010 tax bills recently coming in the mail, the Village League is reminding residents of Incline Village and Crystal Bay to continue to pay taxes - but to do so under protest. ,

According to the Washoe County tax roll, people can pay their bill in one lump sum, or in four increments, on Aug. 17, 2009; Oct. 5, 2009; Jan. 4, 2010; and March 1, 2010.

People can download a "pay under protest" form within the Village League's website at

www.nevadapropertytaxrevolt.org/09/PropTaxPayProtNotice.pdf.

For more Village League information, visit www.nevadapropertytaxrevolt.org.

THEY SAID IT

"It's most important that the right decisions are made for all taxpayers regardless of where they reside."

**David Creekman, Washoe County chief
Deputy district attorney**

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