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# Tax assessment by agenda in Nevada's counties

## Guest column

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Special to the Bonanza

Property taxes are supposed to be based on the value of our property. In Nevada, a property's "taxable value" is determined by measuring the value of land and improvements separately. Land is appraised at its market value, while improvements are appraised at their replacement cost, depreciated annually. Assessors are required to "ascertain by diligent inquiry" what those values are by applying appraisal methods authorized by state law in a meticulous and objective appraisal analysis.

To anyone out there who believes that our assessment values are really based on such a process, please contact me. I have a bridge I'd like to sell you.

In Washoe County, assessments are based on the county's financial agenda, not the actual values. It appears that the process works something like this: First the county's financial and management officials consult with county commissioners, lobbyists and parties with an interest in local government revenue. These parties determine how much money the county will need, and then make their wishes known to the assessor. The assessor's staff then sets about determining what level of assessed values will yield the tax revenue needed to meet these goals, and

what particular assessment strategy must be applied to make those values happen.

The district attorney encourages the assessor not to worry — just, "Get 'er done" by whatever means and rest assured they will be defended. Taxpayers seldom overcome the hurdles of legal challenges and county officials are virtually never held accountable for their actions.

That is how the assessment process works in Washoe and other counties, as was recently exposed in an article titled, "Long and bitter tax-appeal season expected," written for the Nevada Policy Research Institute by investigative reporter, John Dougherty. In the context of an interview with Nevada Tax Commissioner, Hank Vogler, Dougherty quotes Commissioner Vogler as saying, "The assessors have their mandate from the fire departments and the schools, and everybody, 'Hey, we have no more money.'" The entire article can be viewed at NPRI's website [www.NPRI.org](http://www.NPRI.org), or at [www.tahoebonanza.com](http://www.tahoebonanza.com).

To characterize this policy of assessment by agenda as deplorable would grossly understate the outrageous violation of the public trust. Vogler's remarks and other revelations in Dougherty's article illustrate a profound level of contempt on the part of taxation officials for Nevada's laws and for the constitutional rights of citizens and

taxpayers. At least Commissioner Vogler has the decency to tell the truth about the ugly little secret of assessment policy in Nevada.

Assessors can appraise by agenda when they are free to choose their own assessment methods. According to the Nevada Supreme Court, however, assessors are not free to choose their own assessment methods. In its recent precedent setting “Bakst” decision the Supreme Court held that in order to ensure the constitutional guarantee of uniform and equal taxation, assessors are restricted to using only those methods of assessment specifically authorized by Nevada law for uniform statewide application. Nevertheless, taxation officials have ignored the Supreme Court and continue to vigorously assert their policy of open-ended discretion by assessors to choose their own assessment methods.

One of Washoe County's favorite practices is to value a variety of improvements as land. This produces higher property values because as part of land, the improvements are valued at their market value rather than depreciated replacement cost. Washoe County insists that its

techniques are legal as long as the “taxable value” does not exceed a property's total market value, even though the Supreme Court has already rejected this argument.

Assessors are not necessarily people of bad will. Without enforcement by state taxation officials, or sufficient consequences for breaking the law, assessors have no incentive to discontinue bad practices. Assessors look around and see what other assessors can get away with, and over time it feeds on itself and becomes routine. If left untended a garden can only be defined by the weeds it engenders.

At best we can hope that individuals with decent character and an interest in good government will step forward to clean up the mess. At worst we can expect government officials to continue seeing the law, the constitution, and the courts as annoying obstacles in the path of their own agendas. If such is the case, constitutional guarantees will not be worth the paper they are written on.

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