

Board stalls tax refunds for Incline residents

County must offer more documentation

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A state appeals board froze \$13.5 million in property tax refunds for Incline Village and Crystal Bay residents on Tuesday and returned a decision to roll back taxable values on their homes to a Washoe County tax appeals board.

The decision that affects 9,000 homeowners was returned to the Washoe County Board of Equalization with orders to hold a hearing within 30 days and explain why its members made the decision. That would create a proper record as required by state law.

"They asked questions. Why didn't they get answers? There was no basis for the ruling," said Michael Chelshire, a state board member.

On March 8, 2006, the county appeals board decision to equalize real estate values for all of Incline Village and Crystal Bay began with its decisions to reduce the property values for about 320 Incline property owners to 2002-03 values for the current tax year.

In those cases, the board was attempting to comply with Carson City District Judge Bill Maddox's decision invalidating four rules created by the county assessor, including valuing views of Lake Tahoe. He wrote the rules were unconstitutional because they hadn't been approved by the state.

Then, the Nevada Supreme Court said the county appeals board should follow the "reasoning of Maddox" in hearing appeals. But it said no refunds should be made until it ruled on the county's appeal of the case. In December, the high court sided with Maddox.

Minutes of the March 8 hearing show the big unanswered question for board members was the ripple effect of equalizing values. If property values were lowered for Incline and Crystal Bay to be equal to the 17 property owners in the Maddox case, then shouldn't all of Washoe County be reduced?

And if Washoe values were reduced, shouldn't that also happen in the state's other 16 counties?

If the rollbacks for Incline Village and Crystal Bay hold, county officials have said Incline taxable property values will be 39 percent of market value. That compares with 52 percent for the rest of the county and 95 percent for Clark County.

If the rest of the state's values were reduced to equalize, county officials have said about \$360 million to \$720 million in tax refunds would have to be written.

At the March 8 hearing, board members repeatedly asked for an opinion from the Nevada Tax Commission on how to deal with the equalization quandary. But there wasn't time to get one.

Now that the question is ripe again, Terry Rubald, a staffer for the state tax board, said she doesn't know how the question can be answered authoritatively in 30 days.

Washoe County lawyers contend the Supreme Court ruling applies only to the 17 property owners who filed the case. And those people were given tax refunds.

But in February, the county tax appeals board reduced the property values for 1,000 Incline property owners for the coming tax year, 2007-08, based on the Nevada Supreme Court decision. The tax appeals board decided against considering equalization for the other 8,000 Incline residents.

County Assessor Josh Wilson has appealed the 1,000 cases to the state board. And in those cases, Maryanne Ingemanson, leader of the Village League to Save Incline Assets, said the equalization issue can be raised.

"It's the state board's job to equalize," she said.

A handful of Washoe County residents who live outside Incline Village and Crystal Bay have filed appeals, saying they want their

property values equalized, too. State board hearings for them will be later this spring.

In deciding to send this year's equalization case back to the county board, state board chairman Clay Fitch said he hopes the county can "solve it there and so we never see it again. I've heard a lot of people say they don't want this to see this go and on and on."

Les Barta, a leader the Incline Village tax fight, said the action was just another abusive action, one of many in their long fight.

"It's a huge vicious circle," he said. "We have been booted around for four years."

Barta said he hopes the county appeals board will simply restate its reasonings rather than come up with a new solution.

"But you never know what they will do," he said.

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