

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 30, 1996 Meeting

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A regular meeting of the Carson City Board of Equalization was held on Tuesday, January 30, 1996 in the Administrative Complex Conference Room #59, 2621 Northgate Lane, Carson City, NV at 10:00 a.m.

PRESENT: Phil Martin
Darrel Cauch
William Smith
Ted Thornton

STAFF: Kit Weaver, Assessor
Mark Forsberg, Deputy District Attorney
Scott Loff, Chief Property Appraiser
Nick Providenti, Property Appraiser II
Fran Smith, Recording Secretary
(BOE 1/30/96 1-0000.5)

NOTE - Unless otherwise indicated each item was introduced by the Chairperson. Individuals speaking are identified following the heading of each item. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

A. CALL TO ORDER - The Recording Secretary called the meeting to order at 10:00 a.m. A roll call was taken and a quorum was present although Member Allen was absent.

B. ANNUAL SWEARING IN OF BOARD MEMBERS - The Recording Secretary administered the oath of office to the Members.

C. ACTION ON SELECTION OF OFFICERS - (1-0049.5) Member Smith moved to retain the same officers as in 1995. Member Thornton seconded the motion. Motion carried 4-0.

Member Cauch moved to close nominations. Member Smith seconded the motion. Motion carried 4-0. Member Martin was re-elected Chairperson and Member Cauch was re-elected Vice Chairperson.

D. ORIENTATION - (1-0065.5) Members agreed none was required.

E. ACTION ON ASSESSOR'S RECOMMENDED CORRECTIONS TO CARSON CITY TAX ROLL - (1-0073.5) The Assessor's Office had provided information and an explanation on the proposed reduction in assessed value. This was for the skating rink owned by Rick and Pam Tierney at 3520 Hwy 50 East, APN 8-271-27. Member Cauch moved that the Board accept the Assessor's recommendation. Chairperson Martin solicited input from the Board before taking action on the motion. Member Smith stated he agreed with the motion as proposed. Member Thornton also agreed and commented if the property changed hands there would probably be a different assessment and Mr. Loff said that would likely happen. He added that this is totally based on new construction costs. He also said he had told the Tierneys it will be going up when it is re-appraised in 1998/99. Mr. Loff also noted there have been some land sales in the area since Mr. Tierney purchased his property that are higher than what he paid. He felt

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that the Marshall and Swift figures are way too high on this type of building. Discussion ensued on the process whereby Mr. Tierney will either get a refund after he pays the taxes or an adjustment will be made. The discussion also included the length of time that Mr. Tierney will get a tax break. Mr. Weaver also explained that the Recording Secretary will inform the Treasurer's Office of any change.

(1-0150.5) An extensive discussion ensued concerning the sizes and shapes of lots in the area, the formula that is used, and why there are differences in values per square foot. Mr. Loff reported that Mr. Tierney had provided information on the actual price he had paid. Member Smith asked for a definition of the term an "arms length" sale and Member Cauch explained it means a legitimate seller and a legitimate buyer. Mr. Forsberg noted it eliminates people from willing something to their children or a sale under duress. Member Smith asked why there was a difference in the \$154,000 Mr. Tierney paid for the land and the \$177,994 the Assessor had listed as the current taxable value. Mr. Loff explained that was the figure they had arrived at the last time they re-appraised the area and said it had been too high. Chairperson Martin asked if the neighbors would appeal their assessments because of this reduction and Mr. Loff said they have the right to. Mr. Forsberg said this is something that would have to be determined by the Assessor to look at and see if this sale, by itself in relation to all the other things going on in that area, would cause them to believe all of the properties are over valued. He also commented that another factor to be weighed is that the values will be going up in three years. Mr. Loff mentioned they had re-appraised the area in 1994-95 and reiterated what had been said earlier about the different sizes and shape of parcels. Member Thornton asked if the refund is automatic or does the taxpayer have to request it if the Board approves the reduction. Mr. Weaver explained that the taxpayer had appealed and his office was agreeing to this for 1995-96 corrections. Member Thornton seconded the motion. Chairperson Martin suggested that the parcel number be included in the motion. Member Cauch amended his motion to include "Parcel Number 8-271-27." Member Thornton accepted the amended motion. Motion carried 4-0.

F. PUBLIC COMMENT - None.

G. MEMBERS COMMENTS - (1-0335.5) Member Smith asked if there is a timeframe during which a taxpayer can appeal to the Board. Mr. Loff explained that the final day for appeals is normally January 15 but because it fell on a Sunday this year and there was a holiday on Monday it was extended to January 17. He also said that every year assessment notices are sent out in December and these are only for that roll. Mr. Forsberg said once the deadline is past that means they have waived an appeal for the year in question.

H. STAFF COMMENTS - (1-0358.5) Mr. Loff said the subject of the Ormsby House (Carson Corporation) is not a petition but a discussion on putting it back on the roll with regard to the completion percentage of the renovation. He added that the parking garage may be back on at 100 percent because it is in full operation. He said the people at the Ormsby House have not returned their calls and reiterated that the Assessor is attempting to find out about

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the completion. He noted that some of the rooms are still not done, some departments are only open part time, and the corner bar is still closed. He felt that the main problem is the rooms that are not done. He said the Board had reduced the assessment last year and that the State Board had lowered it more. In light of the fact that a lot of work has been done it was the Assessor's feeling that the value should go back up. Member Smith asked if there is anything to prohibit the Appraisers from visiting the site to see just what has been done. Mr. Loff said they can but felt they should get permission from the owners or someone else in authority first. He also reported they had visited the site, had talked to several different people, and had been told that the owner would be in touch with them but he never has. Member Smith said the Appraisers are official representatives of the City and felt they have every right to inspect the premises. Mr. Loff said it might come to that before the next meeting. He added that they had talked to the manager and the finance director who had said the owner is the only one who would know about the percent of completion. Mr. Loff expressed his feeling that the owner does not want to get involved. Chairperson Martin said the Appraiser has the right to sit outside the property and arbitrarily set a figure and Mr. Forsberg confirmed this.

(1-0443.5) Mr. Loff then mentioned that some banks, FIB, BofA, and US Bank among them, have probably seen information that the City is buying the BofA building at a low price. He said it appears that banks all over the State are petitioning this year. He reported that the BofA building was basically appraised as an office and not a bank. He added that the Assessor will be requesting income statements from the banks who appeal. Member Cauch said most banks are basically office buildings that have a vault.

(1-0483.5) Mr. Loff reported that Pizza Hut had withdrawn their appeal and that he is waiting to hear from US Bank on their decision whether to pursue the issue or withdraw.

(1-0503.5) Mr. Weaver said the Ormsby House was \$16 million two years ago. The Board had reduced it to \$5.5 million and the State Board had reduced it to \$3.6 million. This was because it was closed. He added there is no limit now except what the value of the Ormsby House could be with normal depreciation and said it could perhaps be \$15 million. He noted that any time the value of property is raised after the appeal period the law requires the Assessor to take it to this Board. He said it can be put on at full depreciated value for this year. He felt that other taxpayers will be expecting the value to be raised and said he will be bringing substantial information to the next meeting.

(1-0529.5) Mr. Weaver next talked about the skating rink discussed earlier. He said when the values had been set it was because of the information they had. He added that the sales in the area several years ago indicated a certain range of values for those properties and any taxpayer has a right, and the Assessor has an obligation, to reduce any value that exceeds market value. He said in his opinion the neighboring taxpayers do not have a reason to use this sale alone to request that the Assessor reduce their value. He added that Highway 50 is gradually being developed and that will mean higher values.

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(1-0625.5) Chairperson Martin commended Mr. Loff and Mr. Providenti on the job they have done. He felt the Assessor needs more appraisers. Mr. Weaver said they had only received 12 appeals out of 16,000 parcels. Mr. Weaver explained he now has Dave Dawley who has just received his certification. Mr. Loff said Mr. Dawley takes care of personal property and mobile homes and helps them too.

I. ACTION ON NEXT MEETING DATE - (1-0650.5) It was noted that the next meeting is February 6 at 10:00 a.m. Mr. Weaver said the schedule is to meet four weeks in a row on the Tuesday of each week.

Chairperson Martin asked what happens when a Member is absent consecutively and wondered if that person should be replaced. Mr. Forsberg said he would look at the statute to be sure but said usually there is a statement that a person can be replaced for dereliction of duty. He said he would bring information on this to the next meeting. Discussion ensued on this and it was noted if Members are absent there could be a problem getting a quorum. Mr. Weaver felt if there are attendance questions then action should be taken.

J. ADJOURNMENT - There being no further business Chairperson Martin entertained a motion to adjourn. Member Cauch moved to adjourn. Member Smith seconded the motion. Motion carried 4-0. Chairperson Martin adjourned the meeting at 10:45 a.m.

The Minutes of the January 30, 1996 meeting of the Carson City Board of Equalization

ARE SO APPROVED _____ 2/6 _____, 1996

/s/ _____
Phil Martin, Chairperson