

# CARSON CITY BOARD OF EQUALIZATION

## Minutes of the January 27, 2009 Meeting

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A regular meeting of the Carson City Board of Equalization was scheduled for 10:00 a.m. on Tuesday, January 27, 2009 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

**PRESENT:** Chairperson Mary Sanada  
Member Ron Allen  
Member Jed Block  
Member Denise Gillott

**STAFF:** Dave Dawley, Assessor  
Steve Walker, Chief Property Appraiser  
Kimberly Adams, Property Appraiser  
Timothy Clark, Property Appraiser  
Joel Benton, Senior Deputy District Attorney  
Thoran Towler, Deputy District Attorney  
Kathleen King, Recording Secretary

**NOTE:** A recording of these proceedings, the board's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

**A. CALL TO ORDER AND DETERMINATION OF QUORUM (10:01:01)** - Chairperson Sanada called the meeting to order at 10:01 a.m. Roll was called; a quorum was present.

**B. MODIFICATION OF AGENDA (10:01:34)** - At Mr. Walker's request, Chairperson Sanada modified the agenda to combine items D-1 and D-2.

**C. ACTION ON APPROVAL OF MINUTES - January 20, 2009 (10:02:15)** - Member Gillott moved to accept the minutes, as presented. Member Block seconded the motion. Motion carried 4-0.

#### **D. DISCUSSION AND POSSIBLE ACTION ON PETITIONS FOR REVIEW OF ASSESSED VALUATION**

**D-1. ROBERT A. AND JULIA NEER, 1305 DRAKE WAY, CARSON CITY, NEVADA 89701, APN 009-801-07; and D-2. RUSSELL AND KAREN MEAD, 1219 BANDTAIL DRIVE, CARSON CITY, NEVADA 89701, APN 009-751-06 (10:02:48)** - Mr. Walker introduced these items, and Chairperson Sanada called for the petitioners.

(10:03:56) Robert Neer read prepared remarks into the record, expressing opposition to the assessed value of his residence. He reviewed information gathered from Zillo.com, and expressed the opinion that "fairness should have a place in this decision." He requested no relief "beyond any extended to others in our situation," but advised that he would "consider it fair if our taxes were not increased at this time."

(10:07:43) In response to a question, Julia Neer described information available via Zillo.com. She advised of having monitored the information over the past six months, and expressed concern over the steady decline in the value of her residence. In response to a further question, she was uncertain as to the source of the information provided via Zillo.com. She advised of having reviewed the information with both a

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realtor and a mortgage lender, who have assured her “it’s respectable; that they use that information themselves.” Member Gillott provided additional information on the reliability of Zillo.com. “From the value standpoint, the only problem is the span that they use; the radius around the neighborhood that they use is a little bit wider and that the range of sales, as far as how far back they go to come up with the average, spans back a little bit farther than you would ... typically want to go.” Mrs. Neer responded to additional questions regarding information available via Zillo.com, and discussion followed.

(10:12:39) Russell Mead, of 1219 Bandtail Drive, reviewed recent sales information in his neighborhood. He expressed the opinion that the assessed valuation of his residence should be “at least \$35,000 less.” He responded to questions regarding the architectural design of the homes in his neighborhood.

Mr. Walker provided additional information regarding Zillo.com. He reviewed the agenda materials pertinent to the two subject agenda items. In response to a question, Mr. Walker advised of not having personally spoken to Mr. and Mrs. Neer or Mr. and Mrs. Mead, but that Assessor’s Office staff “does their best to explain the tax cap.” He advised that Zillo.com “is supposed to pick up their database from the Assessor’s Office.” He reviewed information available in the database the Assessor’s Office used to value the Heritage Park properties. He recommended a \$35,000 reduction in land value for the entire Heritage Park subdivision, and acknowledged all 273 lots would be reduced. Chairperson Sanada entertained petitioners’ rebuttal.

(10:26:56) Mrs. Neer advised of having been informed regarding the tax cap. She further advised of having complained about their tax assessment last year “because we could see that the values were starting to decline. ... we were told that because they weren’t individually assessed every year, we should wait ‘til next year, being this year, to see a reduction and that we would probably be reassessed and be happier with our value. And when we got it, of course, it was up from the previous year.” She explained the purpose of the subject petition “to be on the record so that next year, when they that to us again, we’ll have a little bit better recourse.” In reference to certain of Mr. Walker’s comments, she clarified that Landmark Homes is bankrupt and provided information with regard to the same.

(10:29:13) Mr. Mead expressed appreciation for the \$35,000 reduction in land value. He requested information regarding the process by which to appeal the board’s decision. In response to a question, Mr. Dawley explained the method by which taxable value is determined. He offered to meet with Mr. Mead at the Assessor’s Office to discuss the matter further.

Mr. Walker provided an explanation of the improvement factor determined and imposed by the State of Nevada Department of Taxation. Chairperson Sanada entertained additional discussion and, when none was forthcoming, a motion. **Member Allen moved to accept the Assessor’s Office recommendations to reduce the land values on all 273 lots in the development. Member Gillott seconded the motion. Motion carried 4-0.** Chairperson Sanada provided information on the appeal process.

**D-3. VLADIMIR BASUS, 2717 CHRISTMAS TREE DRIVE, CARSON CITY, NEVADA 89703, APN 007-472-02** (10:35:16) - Mr. Walker introduced this item. (10:36:14) Mr. Basus read prepared remarks into the record, copies of which were provided to the board members and City staff. In response to a question, he advised that his home was constructed by the developer, but “the price was commensurate with all the others.”

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Mr. Walker reviewed the agenda materials pertinent to this item, including the Assessor's Office recommendation to leave the value as assessed. In response to a question, Mr. Walker advised that short sales are considered, if known, and that Assessor's Office staff attempts to verify all sales. He acknowledged the taxable rate decreased from last year, and advised that land valuations are reviewed annually. Mr. Dawley explained that the property was affected by the four percent improvement factor imposed by the State of Nevada Department of Taxation. The land value decreased but the improvement factor increased the value of the improvements by two percent. Member Gillott reviewed a list of sales which were not included in the agenda materials, and Mr. Walker offered to research the same. In response to a question, Member Gillott reviewed the price per square foot of the property sales she listed. Discussion followed and, in response to a further question, Mr. Walker advised he would need additional time to research the information provided by Mr. Basus at this meeting.

Chairperson Sanada provided Mr. Basus an opportunity for rebuttal. Mr. Basus expressed the opinion that the values used in the assessment "are all based on old sales." At his request, Chairperson Sanada explained the term "short sale." Mr. Basus expressed concern over the effect of loans made for more than a home's value over the past several years. He expressed additional concern over the eight percent tax cap for rental properties. Member Allen advised that the board was bound by the current laws, and suggested that Mr. Basus address his concerns to his State legislative representatives. Discussion followed.

Mr. Dawley expressed agreement with Mr. Basus' concerns over the condition of the real estate market. "People bought mortgages that they really couldn't afford. The values of the homes dropped. They're losing them. We understand," and we are considering that. Mr. Dawley reiterated that the Assessor's Office has no control over the property tax cap, as established by the Nevada State Legislature. He expressed the belief that Assessor's Office staff has abided by the pertinent state laws. In reference to certain of Mr. Basus' comments, Mr. Dawley explained the requirement for the Assessor's Office to use actual sales as comparative data, not listings.

Discussion took place with regard to possible action. **Member Allen moved to accept the Assessor's Office recommendations of the current assessment for the subject property. Member Block seconded the motion.** Chairperson Sanada suggested that, because the real estate market is continuing to decline, "we may have a little bit of room to reduce the value but it's not going to be the \$284,000 that it would require to bring down the taxes." She acknowledged the volatility of the current real estate market, but noted there were increased sales in December "which may mean that the market has reached a bottom and will start going up again before the end of the year." She agreed there appeared to be no good reason to adjust the value at this time. She called for a vote on the pending motion. **Motion carried 4-0.** Mr. Dawley reviewed the appeal process with Mr. Basus.

**D-4. ALLEGRETTI FAMILY TRUST, J.B. ALLEGRETTI, 2700 KENSINGTON PLACE, CARSON CITY, NEVADA 89703, APN 007-352-10 (11:25:40)** - Mr. Clark introduced this item, and Chairperson Sanada called for the petitioner.

(11:26:14) Joseph B. Allegretti reviewed various tax bills which he receives for agricultural, industrial, and residential properties in Douglas County and Carson City. He provided background information on consideration given to appealing his assessed valuation last year, and his subsequent decision to withdraw the appeal. He advised of having appeared before the board approximately seven years ago "on the subject of a retaining wall." He explained "there are four or five properties in our subdivision that have a common

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wall.” At a recent homeowners meeting, a neighbor informed him that the west side of Carson City was recently resurveyed with the result that “all the numbers in our area were off two feet to the south.” This “puts the common wall that I am being assessed for and was assessed for on the property I used to own next door on somebody else’s property.” Mr. Allegretti advised that the “comparatives” for his house “are two properties in Wellington on two-acre parcels that are view lots.” “The other two properties ... are just off of Kings Canyon and Longview on approximately one-third acre parcels.” Mr. Allegretti expressed the opinion that “only one sale is comparable to the sale of [his] home, and that sale did close about mid-2008.” “That price was \$1,025,000 which was very close to my assessment last year.” He expressed the belief that the problem “is the fact that there is nobody who goes back and opposes the four percent in a manner similar to this.” Mr. Allegretti advised that 52 percent of home sales in the Cities of Reno and Sparks are bank-owned, “and prices are down 40 percent from 2006.” He suggested that “if the home ... comparable to mine would have sold in October, November, or December of this past year, the price would have been significantly lower and possibly not at all because the people may not have been able to even get the loan.” He read a portion of a December 17, 2008 *Los Angeles Times* article into the record, quoting IRS Commissioner Doug Schulmann “on the subject of tax liens on homes that have reached value levels below the mortgage amount.” Mr. Allegretti suggested there is “no reason for [his] property value assessment to have gone up in this past year ...” He estimated the value of his home at \$900,000. He acknowledged that the Assessor’s Office uses replacement value, and advised he “sort of questions” this method. He requested the board’s due consideration of the current economic situation. He acknowledged that the property at 2551 Kensington Place has a similar view.

(11:35:29) Mr. Clark reviewed the agenda materials pertinent to this item, and noted the Assessor’s Office recommendation to leave the value as assessed. In response to a question, Mr. Clark reiterated that the valuation would have to drop below \$591,963 in order for Mr. Allegretti to receive any tax relief. In response to a further question, Mr. Clark advised that an unfinished basement would be assessed at a lower rate. In response to a further question, he advised that Mr. Allegretti’s basement is finished and was included at the same cost as the “upstairs.” He acknowledged that the type of basement is also taken into consideration. Mr. Walker advised that the increase in value, referenced by Mr. Allegretti, is due to the improvement factor imposed by the State of Nevada Department of Taxation. With regard to the basement, Mr. Walker referred to the sales data sheets included in the agenda materials. “When you have a 1,292-square-foot finished basement that’s included as part of the living area, you should see the price per square foot be reduced a little bit, and that’s exactly what we see here.” Mr. Walker acknowledged that land values in the Kensington Place subdivision were increased based on sales. He reviewed the subject property map included in the agenda materials, and noted vacant land sales in the area.

Chairperson Sanada provided Mr. Allegretti an opportunity rebut the Assessor’s Office presentation. (11:40:40) Mr. Allegretti stated “September of 2008 was a watershed situation and comparables before that probably have little or no value in assessing market value, but as the only tool for the Assessor’s Office, that’s what we, the citizens, are saddled with.” He advised that “many of the comparable sales, including the two homes that are considered view homes, sold in 2007 because those are the same two homes I looked at last year when I was going to come in here for my appeal.” “We find a lot of 2007 information, but we only find one of 2008.” Discussion took place between Mr. Allegretti and Mr. Dawley. Mr. Allegretti expressed the opinion, “it’s ludicrous for anybody to say, ‘Well, just because your taxes aren’t going to go down because you have this wonderful three percent cap, you shouldn’t oppose the increased assessed value.’” He suggested, “there is a day that’s going to come where those two numbers are going to go together either through a catastrophe coming down or many years’ of assessments going up.”

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In response to a question, Mr. Allegretti acknowledged that the improvements value increased by 2.9 percent. Member Allen explained that the 2.9 percent increase is a “reality” because of the statutory requirement. “Because the value last year was somewhat lower, apparently is the reason why the value didn’t go up the full four percent.” Discussion followed, and Mr. Allegretti advised of not having been able to research a bill at the State Legislature requiring the four percent increase. “If there’s no bill, it’s not the State Legislature; it’s somebody else.”

In reference to Mr. Allegretti’s comments, Mr. Walker advised that “in the computer system itself, each year it looks at the capped value and the total assessed value and picks between the lowest of those two. So, if the cap ever did exceed the assessed value, the cap would basically disappear.” Mr. Walker acknowledged that the increase in land value was for the entire area based on a current appraisal. He reviewed examples by way of further explanation. Mr. Clark advised that the assessment notices indicate the four percent increase and the applicable statute.

Chairperson Sanada entertained a motion. Member Gillott expressed agreement with the Assessor’s Office valuation. Chairperson Sanada agreed, and discussed difficulties associated with appraising custom homes. **Member Gillott moved to accept the Assessor’s Office current assessed value and the current market value and to keep the values the same. Member Allen seconded the motion. Motion carried 4-0.**

**E. DISCUSSION AND POSSIBLE ACTION REGARDING ORMSBY HOUSE VALUATION, 600 SOUTH CARSON STREET, APN 003-092-03 (11:55:03)** - Chairperson Sanada introduced this item, and Mr. Clark reviewed the agenda materials. He acknowledged that the decreased land value was based on reappraisal of the downtown area. He further acknowledged the increase in improvement value due to imposition of the improvement factor. He noted the presence of Cubix Ormsby, LLC representatives in the meeting room.

(12:00:20) Cubix Ormsby, LLC Principal Don Lehr introduced himself for the record. Chairperson Sanada entertained questions or comments and, when none were forthcoming, thanked Mr. Lehr for his attendance. No formal action was taken.

**F. PUBLIC COMMENT (12:00:50)** - Chairperson Sanada entertained public comment; however, none was forthcoming.

**G. DISCUSSION AND POSSIBLE ACTION REGARDING NEXT MEETING DATE (12:01:08)** - Mr. Dawley advised that the next meeting would be scheduled for Tuesday, February 3<sup>rd</sup>, and provided an overview of the tentative agenda.

**H. ACTION ON ADJOURNMENT (12:01:28)** - Member Allen moved to adjourn the meeting at 12:01 p.m. Member Block seconded the motion. Motion carried 4-0.

The Minutes of the January 27, 2009 Carson City Board of Equalization meeting are respectfully submitted this 3<sup>rd</sup> day of February, 2009.

ALAN GLOVER, Clerk - Recorder

By:

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Kathleen M. King, Deputy Clerk / Recording Secretary