

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 24, 2006 Meeting
Page 1

A regular meeting of the Carson City Board of Equalization was scheduled for 10:00 a.m. on Tuesday, January 24, 2006 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Mary Keating
Vice Chairperson Roy Semmens
Ron Allen
William Lewis

STAFF: Dave Dawley, Assessor
Steve Walker, Property Appraiser
Heather Mandel, Property Appraiser
Kimberly Adams, Property Appraiser Technician
Michael Suglia, Senior Deputy District Attorney
Kathleen King, Recording Secretary

NOTE: A recording of these proceedings is available in the Clerk-Recorder's Office for review during regular business hours.

A. CALL TO ORDER, ROLL CALL AND DETERMINATION OF QUORUM (10:00:17) - Chairperson Keating called the meeting to order at 10:00 a.m. Roll was called; a quorum was present. Member Sanada was absent.

B. ACTION ON APPROVAL OF MINUTES (10:00:42) - None.

C. DISCUSSION AND ACTION ON ASSESSOR'S RECOMMENDED CORRECTIONS TO THE CARSON CITY TAX ROLL

C-1. MARLENE GILMORE AND M. MCFALL, APN 002-205-03, 1508 CAMILLE DRIVE (10:00:56) - Mr. Dawley reviewed the Roll Change Request included in the agenda materials. He acknowledged the homeowner had been notified of the requested change. In response to a further question, he advised no comment had been received from the homeowner. Chairperson Keating entertained a motion to approve the correction. **Member Allen so moved. Vice Chairperson Semmens seconded the motion. Motion carried 4-0.**

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

D-1. GERHARD HEINRICH, HEINRICH FAMILY TRUST, APN 008-051-13; 54 RUBY LANE, CARSON CITY, NEVADA (10:02:11) - Chairperson Keating introduced this item. Mr. Walker read the parcel number into the record. Mr. Suglia administered the oath. Mr. Heinrich expressed concern over the increase in his valuation being "7.2 percent more than last year while almost the whole neighborhood was around three percent." He advised of having added no improvements to his residence over the past nine years. He inquired as to the reason for his property being assessed "7.2 percent" higher than his neighbors in light of the three percent legislative cap.

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 24, 2006 Meeting
Page 2

Chairperson Keating acknowledged that the State Legislature had imposed a maximum tax increase of three percent. She explained that the assessed value could increase more than three percent, but actual taxes could not exceed three percent of the previous year. Mr. Walker acknowledged a value override which is capped if it exceeds three percent. He clarified the cap is not applicable to new improvements.

Mr. Walker explained Mr. Heinrich's Petition indicated that since his residence is 34 percent larger than his neighbor's home, his assessment should be 34 percent more than the taxable value of his neighbor's improvements. Assessor's Office staff explained to Mr. Heinrich there are other factors, such as home quality and depreciation rates involved in the assessment process. Mr. Walker expressed uncertainty as to the seven percent increase discussed by Mr. Heinrich, and noted this was not part of his Petition. Mr. Walker advised that the State imposed an improvement factor for the 2006/07 year in the subject area of 1.1032 percent, which is the amount by which Mr. Heinrich's improvements were increased.

At Chairperson Keating's request, Mr. Walker reviewed the staff report and its attachments which were included in the agenda materials. He noted the Assessor's recommendation that the value remain as assessed. Mr. Dawley acknowledged the process for assessing Mr. Heinrich's home was the same as that which was used to assess his neighbor's home. He further acknowledged there is not always a "one for one correlation between size and assessed value." He advised that the Marshall & Swift replacement cost was increased from last year by 20 to 22 percent. The Nevada Tax Commission directed that every parcel which was not scheduled to be physically reappraised be factored up 12 percent. Mr. Dawley noted that Mr. Heinrich's home is larger and somewhat newer because of the addition. The value was only increased to 12 percent with a 1.5 percent depreciation.

Mr. Heinrich inquired as to the principles associated with valuing replacement costs. He reiterated the opinion that his taxes were increased by 7.2 percent, and expressed the further opinion that replacement costs should be assessed the same for every house. Chairperson Keating reiterated that the process by which Mr. Heinrich's house was assessed was exactly the same as that which was used to assess his neighbor's house. She explained that Mr. Heinrich's depreciation percentage was slightly different because of the improvement made in 1998. Based on the Assessor's Office information, the quality of Mr. Heinrich's house is at a different standard.

Vice Chairperson Semmens expressed the opinion that Mr. Heinrich's property is undervalued by approximately \$100,000. Mr. Heinrich described recent improvements to a neighbor's property, and discussion followed. Chairperson Keating noted a common misconception that properties are appraised exactly the same. Mr. Dawley acknowledged that Assessor's Office staff had spent time with Mr. Heinrich explaining the appraisal process and the subject calculations. Mr. Heinrich responded to questions regarding his calculations. He expressed the opinion his house should not be considered newer because of the 1998 addition. He advised that his house is 33 years old, and that larger houses built nine years ago were assessed less. Mr. Dawley reiterated that Mr. Heinrich's property increased by 12 percent with 1.5 percent depreciation. Mr. Walker advised that the recent improvements mentioned by Mr. Heinrich will be assessed this year.

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 24, 2006 Meeting
Page 3

Chairperson Keating expressed the belief that the Assessor's Office had appraised Mr. Heinrich's home in accordance with Nevada statutes, the regulations as dictated by the Nevada Department of Taxation, and consistent with the surrounding neighbors. She noted that the assessed value appeared to be significantly below market value, and expressed the belief that Mr. Heinrich was not being overtaxed. She entertained questions, comments, or a motion from the board members.

In response to a question, Mr. Heinrich discussed previous attempts to sell his home. Member Allen expressed the opinion that Mr. Heinrich's property was assessed in the same manner as all the neighbors, taking into consideration all applicable laws and Department of Taxation requirements. He explained the purview of the board to ensure fair and equal treatment for each taxpayer. **Member Allen moved to accept the Assessor's figures, based on all of the techniques and information in applying assessed values. Member Lewis seconded the motion. Motion carried 4-0.**

Chairperson Keating informed Mr. Heinrich of his right to appeal this board's decision to the State Board of Equalization. Mr. Heinrich commented that "the two or three percent is meaningless if the Assessor can raise the value every time" property is reassessed. In response to a question, Mr. Dawley advised that actual tax amounts cannot exceed more than 3 percent of the 2004/05 tax year amounts. Chairperson Keating assured Mr. Heinrich he would benefit from the Legislature's tax cap.

D-2. RAYMOND AND RILLA JEAN BENNERT, APN 007-302-04; 3808 PARADISE VIEW, CARSON CITY, NEVADA (10:29:03) - Chairperson Keating introduced this item and provided an overview of the agenda materials. Mr. Suglia administered the oath to Raymond Bennert. Mr. Bennert advised that the 2006/07 assessment increased his valuation by 26.23 percent. He further advised that this seems to be "pretty much an average increase." He expressed the opinion that the Waterfall Fire uniquely affected his property "far more than it did other properties." He reviewed written and photographic documentation which was included in the agenda materials. He requested the board to hold the assessment of his property at the 2005/06 values for at least a couple years until the land regenerates and the erosion problems are somewhat reduced. With regard to the petition, he discussed his opinion of the market value of his home.

Mr. Walker reviewed the staff report and its attachments. He discussed the market value of Mr. Bennert's home, and advised there are approximately ten new homes under construction in the area. With regard to the erosion issues discussed, he advised that some of the photographs provided depict properties a number of miles away from Mr. Bennert's home. Mr. Walker circulated a photograph among the board members and the petitioner depicting a view from Mr. Bennert's lot. He acknowledged that the same technique for assessing value had been used. Mr. Dawley acknowledged that the Assessor's Office does not consider motivation for purchasing property.

Chairperson Keating entertained questions or comments of the board members. Vice Chairperson Semmens expressed the opinion that Mr. Bennert's property was assessed under market value. Chairperson Keating advised that the board had spent a great deal of time last year evaluating the effects of the Waterfall

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 24, 2006 Meeting
Page 4

Fire. She expressed understanding for the effects of the fire, but noted there seems to have been no decline in property values over the past year. She expressed the opinion that properties seem to be holding and, in some cases, exceeding value. Mr. Bennert reiterated that not one home sold in Timberline during 2005.

Mr. Dawley advised that Assessor's Office staff was confined to considering land sales. Vice Chairperson Semmens advised that Lakeview hill burned several years ago and has since recovered. He discussed the potential that the Waterfall Fire burn area will also regenerate. He acknowledged the hardship of having lost the views, but agreed that homes and land in the area have not decreased in value. Mr. Bennert contended there could be no demonstration that home values had increased because there have been no sales. Chairperson Keating entertained a motion. **Vice Chairperson Semmens moved to leave the assessed value as it is. Member Lewis seconded the motion. Motion carried 4-0.** Chairperson Keating advised Mr. Bennert of his right to appeal this Board's decision to the State Board of Equalization.

D-3. GARTH F. DULL AND CHERYL A. LAU, APN 007-303-02; 3819 PARADISE VIEW, CARSON CITY, NEVADA (10:53:22) - Chairperson Keating introduced this item and Mr. Suglia administered the oath. Mr. Dull expressed appreciation for the board's consideration. He expressed the opinion that his property and the Bennerts' property were uniquely affected by the Waterfall Fire. He described the location of his property in relation to Vice Canyon, and commented that "the world has changed ... considerably" in the area. The effect of the elements on the property are greatly exacerbated because of the lack of trees. Mr. Dull noted that the trees will take approximately 110 years to regenerate, if at all. He discussed erosion issues, and suggested that the scenery is most likely changed forever. He noted that scenery and view are closely associated with property value. He suggested that replacement costs are a completely different issue, and acknowledged that many people are rebuilding. He expressed the opinion that the lots which have sold are unique. One that sold on Paradise View is virtually flat and oriented more toward the City. The views from that lot are not as affected as views from his lot or the Bennerts, which are both oriented more toward Vice Canyon. Mr. Dull expressed the opinion there is a considerable difference between his and the Bennerts' lots and the lot which sold. He requested the board to consider these points. He expressed agreement with Mr. Bennert's presentation, and entertained questions of the board members.

Mr. Walker advised that Assessor's Office staff extensively considered land values in the area. He reviewed the staff report and its attachments, and recommended leaving the Assessor's Office valuation as submitted. Vice Chairperson Semmens expressed the opinion that the Assessor's Office valued Mr. Dull's property under market.

Mr. Walker acknowledged that the property was assessed using the same methodologies as the other properties in the area and in accordance with assessment practices. Chairperson Keating expressed the opinion there had been no evidence that Mr. Dull's property had been assessed differently than any of his neighbors. She reiterated understanding for the impacts of the Waterfall Fire, but noted the sale of surrounding lots indicate value has not decreased. Member Lewis advised that new 7,000 to 8,000 square foot lots developing in Silver Oak are starting at \$200,000. He expressed sympathy for the issues associated with the properties in the Waterfall Fire burn area. Chairperson Keating entertained a motion.

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 24, 2006 Meeting
Page 5

Member Allen moved to accept the Assessor's recommendations of assessed value for APN 7-303-02 to remain as is. Vice Chairperson Semmens seconded the motion. Motion carried 4-0. Chairperson Keating advised Mr. Dull of his right to appeal this board's decision to the State Board of Equalization.

E. PUBLIC COMMENT (11:04:15) - None.

F. DISCUSSION AND POSSIBLE ACTION REGARDING NEXT MEETING DATE (11:04:51)
- Chairperson Keating advised the next meeting date was scheduled for January 31st. Mr. Dawley reviewed the tentative agenda. He anticipated the January 31st meeting would conclude the board's business for the year. Chairperson Keating discussed the importance of the board members being in attendance.

G. ACTION ON ADJOURNMENT (11:08:29) - Member Allen moved to adjourn the meeting at 11:08 a.m. Vice Chairperson Semmens seconded the motion. Motion carried 4-0.

The Minutes of the January 24, 2006 Carson City Board of Equalization meeting are so approved this 31st day of January, 2006.

MARY KEATING, Chair