

Tax panel orders refunds for Incline

Refunds/Decision would cost county, state, local district

By Susan Voyles
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The Nevada State Board of Equalization ruled Monday in favor of tax refunds for Incline Village for 2006-07, upholding a long-delayed county tax board's decision to lower property values for 8,700 homeowners after doing the same for nearly 300 individual cases because of assessments related to lake views and beaches.

Unless appealed to district court, Washoe County finance officials said the decision means 8,700 homeowners in Incline and Crystal Bay will get \$11 million to \$13 million in refunds for 2006-07 and smaller amounts for the two subsequent tax years because of state-mandated property tax limits.

"This thing should have been done a long time ago," said Aileen Martin, after voting in the state board's unanimous decision, applauded by about 100 lake residents.

Les Barta, a leader in Village League to Save Incline Assets that has filed a number of lawsuits over property values, said the decision marks "the beginning of the end."

The county 2009-10 budget this year includes money for the Incline Village tax case but not enough for all contingencies, County Manager Katy Simon said during budget hearings.

If the tax refunds total \$13 million, Finance Director John Sherman said the county's share would be \$5.5 million, the school district's \$4.5 million and the North Lake Tahoe Fire Protection District \$2 million.

The state would lose \$700,000, and the Incline Village General Improvement District would lose \$300,000. When the refunds are ready to process, the money would come from the next property tax installments for those governments.

For tax year 2006-07, the ruling rolls back land values to 2002-03 levels before a mass appraisal was done. The Nevada Supreme Court ruled that former Assessor Bob McGowan didn't have the right to create his own rules to evaluate views and beaches or to place a higher value on land rather than structures when homes were torn down to make way for new mansions. The court said those rules should have been approved by the State Tax Commission.

Washoe County residents Gary Schmidt, Juanita Cox, Susan Seidl and six others unsuccessfully argued that the rest of Washoe County should be equalized, as was done within Incline Village.

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FRANK RACIOPPO
Incline Village property owner

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Schmidt said for the 2006-07 tax year, the state board rolled back values to 2002-03 for 9,000 property owners while leaving them at current values for 160,000 other parcels in the county.

Schmidt said the state administrative code calls for property values to be equalized within a geographic area and the rest of the county.

"You cannot leave it unequal," Schmidt said.

But board member Anthony Marnell said the unique set of circumstances in Incline and

Crystal Bay justifies lowering property values there.

County Treasurer Bill Berrum said the decision means Incline and Crystal Bay residents will be paying property taxes on the rolled-back 2002-03 values, about 40 percent of current fair market value, while the rest of the county residents will be paying at 70 percent of fair market value.

"It amazes me," he said. "It just blows me away."

Diane Inman, a high school teacher and Incline Village homeowner, said high property taxes have forced many middle-class people to flee the city. Her taxes went from \$4,200 to about \$8,000 in 2002-03, she said.

She said many businesses have closed, many mansions on Lakeshore Boulevard are for sale and only 89 students graduated from Incline High School this year because of the exodus.

Frank Racioppo, who owns property in Incline and Reno, said he is disappointed the tax fight dragged on.

"The bureaucrats were caught with their hands in the (cookie) jar, and they tried to make it go away," he said.

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**8,700
TAX REFUNDS**

Washoe County Treasurer Bill Berrum said he would start work on 8,700 tax refunds for Incline Village and Crystal Bay when he gets the property value list from Assessor Josh Wilson. That depends on whether Wilson decides to appeal the case in district court. If the state board's decision stands. Berrum said residents would get a large refund for 2006-07 and smaller ones for the subsequent two years because of the property tax caps. Each refund must be calculated individually.

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