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County assessors fight state request to appear

State Board of Equalization members discuss subpoenas

John Dougherty

LAS VEGAS — In a sharp rebuke, Nevada's 17 elected county assessors yesterday refused a request by the state Board of Equalization to appear before a board hearing on Dec. 3 to provide detailed information of how they determine the valuation of 1 million parcels of property throughout the state.

Nevada Assessors Association President Michael Mears, the Eureka County Assessor, sent a letter early Thursday to the board rejecting its request to appear at the hearing that has been planned since last spring. Mears said the assessors discussed the issue Wednesday afternoon and voted in favor of the association notifying the board its members would not attend the hearing.

The letter said assessors were too busy preparing valuation notices and that many were strapped for funds and could not afford to attend the hearing in Las Vegas. The association suggested the meeting be rescheduled for next spring, and that it be expanded to include the members of the Tax Commission and officials from the state Department of Taxation.

The assessors' refusal to appear before the equalization board comes as increasing public scrutiny into Nevada's property-tax-assessment system has revealed a systemic failure by the state Tax Commission and the state Department of Taxation to ensure that county assessors are using uniform methods for the appraisal of property. The state Supreme Court in December 2006 ruled that assessors must use only

appraisal techniques that have been approved by the commission, per state law.

Las Vegas accountant and Board of Equalization member Dennis Meservy said Thursday that next month's hearing was to assist the board in determining whether property is being equally assessed throughout the state. He said the board is trying to "make sure" all of the counties "are doing things similar."

The assessors' refusal stunned Meservy, who in an earlier interview Thursday morning predicted all the assessors would attend the meeting. Meservy suggested that the board may issue subpoenas demanding the assessors' appearance. "We will have to talk to our legal counsel," he said.

Board chairman and Reno appraiser Tony Wren did not return repeated phone calls seeking comment. Board member Anthony Marnell III, chairman of the M Resort, declined to comment, citing the "sensitivity" of the matter in an e-mail.

The leader of a taxpayers group staging a long-running property tax revolt in the Lake Tahoe basin said it appears that assessors are staging their own "revolt" by refusing to appear before the state board to answer questions about how they conduct appraisals and make sure property within each county is fairly and equally taxed.

"Never before have they been held accountable for methods that they are using to obtain equalization," said Maryanne Ingemanson, president of the Village League to Save Incline Assets, Inc.

Ingemanson said the state board announced plans for the meeting with assessors last April. "They can't suddenly be surprised and not prepared," she stated in an e-mail. As for being strapped for cash, Ingemanson noted that the assessors gather annually for three- and-four-day seminars, "and that doesn't seem to be of concern financially."

The Village League's attorney, Suellen Fulstone, said the state equalization board has the authority to call the assessors to a meeting.

"The state board has an obligation, imposed by the Legislature and confirmed by the Supreme Court, to effect statewide equalization," she stated in an e-mail. "The only way to do that is to get the Assessors before them and make them account for their methodologies."

Fulstone said assessors don't want to be "held accountable" because they "think they are above the law."

Assessors Association President Mears said the assessors are more than willing to sit down and hold a broad discussion with the board of equalization. "There is definitely a willingness to discuss any issue with the state board," he said.

But Mears said assessors believe it would be more effective to have members of the state Tax Commission and bureaucrats from the tax department involved at the same time. "You need to have all players at the table," he said.

Lyon County Assessor Mike Glass said he and some other assessors were offended by the tone of the state board's Nov. 10 letter requesting their appearance at the December hearing. Glass said the state board has four new members and has yet to resolve serious issues with how it performs its duty, including the lack of regulations on how to perform statewide equalization.

"They don't even know what their statutory obligations are and now they want us to appear out of nowhere in Las Vegas so they can quiz us about what our statutory obligations are?" said Glass. "The whole thing kind of rubbed me the wrong way."

The state board's letter asked some detailed questions that cut to the heart of many of the problems with Nevada's property-tax system. In particular, the letter asked assessors to be prepared to describe what "standards of appraisal are in use," the "source of the standards," what standard "has been used in the past" and "why has it changed."

The state Tax Commission has not published a policies-and-procedures manual for assessors to follow

for more than 10 years — a direct violation of state law. Without the manual to provide detailed instructions on how to apply complicated appraisal methodologies, county assessors have been left to go it alone.

The failure of the state Tax Commission to issue detailed appraisal methodologies, as required by the state Supreme Court in the *Bakst v. State Board of Equalization* ruling in December 2006, has made matters worse: County assessors have no uniform, state-sanctioned appraisal methodologies to use under the Supreme Court order.

The resulting lack of uniform methodologies from county to county raises serious doubts of whether statewide equalization is occurring, especially since the Tax Commission has not passed regulations on how the state Board of Equalization is supposed to perform this function — a duty mandated by state statute.

The breakdown in the property-tax system is leaving assessors and the state exposed to widespread litigation from taxpayers who no longer have to prove that their assessed values is too high, but only that the methods used by the county assessors were not approved by the Tax Commission.

"We know we are sitting on a powder keg of what ifs," said Tax Commissioner Hank Vogler.

John Dougherty is the principal of InvestigativeMedia.com and has long been one of America's leading investigative reporters. He has been retained by the Nevada Policy Research Institute to report on critical issues of Nevada governance.

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