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Crowd attends court hearing

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CARSON CITY - About 300 Incline Village and Crystal Bay residents overflowed the Nevada Supreme Court Wednesday morning to hear a pair of oral arguments involving the community's tax revolt.

After the hearings concluded, some of the locals directly involved with the issue since day one weren't impressed with Washoe County's arguments.

"I think their reasoning was ridiculously faulty," said Maryanne Ingemanson, president of the Village League to Save Incline Assets, the nonprofit group of Incline tax revolters. "In my viewpoint, I don't think they made their point well at all."

Village League to Save Incline Assets v. State Board of Equalization

One of the hearings involved the "writ of certiorari-mandamus" filed by the Village League in 2006. The writ argues that the State Board of Equalization was wrong in the way it assessed property values during the 2006-2007 fiscal year.

At the May 17, 2006 and June 27, 2006, hearings before the State Board of Equalization, agreements were reached to issue property tax refunds plus interest to nearly all of the 300 taxpayers for whom the Village League filed and won appeals for the 2006-2007 tax year.

The property tax reductions were ordered by the Washoe County Board of Equalization to comply with an order issued by Judge Bill Maddox in Carson City that granted a tax rollback to the 300 property owners.

Suellen Fulstone, who represents the Village League, argued Monday that those 300 were cheated by the State Board of Equalization during the refund process because the 2006-2007 cases

weren't heard during the 2006 year; rather, the appeals were heard by the 2007 state board.

"You can't have equalization hearings in 2007 that deal with equalization appeals from 2006," she said.

Fulstone said all of Incline, not just the 300 who filed appeals for the 2006-2007 tax year, are eligible for a tax rollback.

Deputy Attorney General Dawn Nala Kemp said if the high court agrees with the Village League, "then you don't have to go through the administrative hearing process or the courts because it's too late."

She said the state board was moving forward but was delayed by the administrative process it is required to use and the high court should recognize deadlines are not hard and fast in such cases.

Fulstone said if the state and Washoe County's logic is adopted, a property tax revaluation could be delayed forever.

"There has to be an end and it is the end of their term," she said, referring to the calendar year term of the state board.

The courtroom's seating restrictions forced more than half of the interested citizens to sit in the courtroom lobby and listen to the proceedings.

Ingemanson said the high turnout can only help Incline's chances.

"I do think it makes an impact; normally only six people show up to these hearings," she said. "To have that many people show up, it sends a powerful message that a lot of people feel they were wronged."

State Board of Equalization v. Barta, Lowe, Frederic, Bakst, Anderson

Inside the courtroom, a standing room-only crowd watched and listened as three deputy district attorneys stated their case during the day's first oral argument.

That argument was a consolidation of five separate cases filed by numerous Incline Village residents, arguing that the State Board of Equalization was wrong in the way it assessed property values during the 2004-2005 fiscal year.

They involve 38 landowners at Incline and Crystal Bay who won a summary judgment from Carson District Judge Mike Griffin applying Maddox's ruling to them, thereby rolling their property taxes back to the 2002-2003 level.

Fulstone and Norman Azevedo argued that the state board used "unconstitutional methodologies" in determining the '04-'05 assessments, thereby not giving the 38 landowners a full rebate.

Deputy Attorney General Karen Dickerson said the court has the power to roll back assessments "only to the extent of excess valuation." She said what Griffin's order did was to give "a windfall to a group of property owners at Incline Village" by rolling the taxes back two full reassessment cycles.

Wayne Fischer, a member of the Village League, attended Monday's hearing. He said the "windfall" comment "really ticked me off," he said.

"It's like if you bought an item at the grocery store and were overcharged. If they give you your money back, is that a windfall? No. To say it would be a windfall is such a baloney statement. It really irked me," Fischer said.

Deputy Attorney General Dennis Belcourt argued a two-year rollback is unconstitutional under Nevada's constitution because revaluation must be done annually.

"Neither the tax commission or the court can exempt taxpayers from annual revaluation," he said. Belcourt said a two-year rollback creates an "unconstitutional under-valuation" for those Incline residents. He asked the court, if they deem methodologies were unconstitutional, that they grant the state board remand so they can reassess the properties again.

Azevedo argued for the property owners that the factoring methods used on those properties were unconstitutional so the state and county request to send the cases back for review under those same methods won't work.

He said Griffin issued a summary judgment "because the district court was told by both parties

the cases were functionally identical (to the case decided by Maddox)."

Suellen Fulstone said a "do over" for just those properties wouldn't equalize property values in those Tahoe communities fairly.

"If you're going to remand, it should be to reappraise all of Incline Village and Crystal Bay," she said.

Fisher and Ingemanson said Fulstone and Azevedo did a good job representing the people's viewpoint.

Fisher said the large turnout could help sway the justice's decision, although it probably will take a while before they make up their mind.

"The justices, they know 300 people, and maybe a lot more, are going to read their ruling," Fisher said. "They understand that. Also, this ruling could actually affect the whole state of Nevada, so it's not something they're going to do quickly."

The supreme court justices took both cases into consideration.

Geoff Dorman of the Nevada Appeal also contributed to this story.



Bonanza Photo - Jen Schmidt Incline Village and Crystal Bay residents talk among themselves during their wait before hearings began at the Nevada Supreme Court Monday.



Bonanza Photo - Jen Schmidt Over 300 interested residents of the North Shore attended the Nevada Supreme Court hearings Monday morning regarding two cases on Incline Village and Crystal Bay property tax assessments.



Bonanza Photo - Jen Schmidt Washoe County Assessor Josh Wilson watches the hearings from the side of the crowded room Monday morning.



Bonanza Photo - Jen Schmidt Nevada Supreme Court Judge James W. Hardesty listens to Deputy Attorney General Dawn Kemp make her arguments.

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