



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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CHRISTOPHER G.
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Secretary

In the Matter of

Harrah's Operating Company, Inc. and
Reno Crossroads, LLC
dba Harrah's Reno Hotel and Casino
APN: 011-052-32, 011-052-33; 011-052-35,
APN: 011-052-36 through 48; 011-071-09;
APN: 011-071-25; 011-071-26; 011-370-50
Washoe County, Nevada
PETITIONER

Joshua Wilson
Washoe County Assessor
RESPONDENT

Appeal of the Decision of the
WASHOE COUNTY
BOARD OF EQUALIZATION

Case No. 13-255

NOTICE OF DECISION

Appearances

Steve Sullivan, Esq., of Rice, Reuther, Sullivan & Carroll; and John Knott with Newmark, Grubb, Knight & Frank, and Evan Ranes of Landauer Valuation and Advisory, a division of Newmark Grubb Knight Frank, appeared on behalf of Harrah's Operating Company, Inc., and Reno Crossroads, LLC (Taxpayers).

Mark Stafford appeared on behalf of the Washoe County Assessor's Office (Assessor).

Summary

The matter of the Taxpayer's petition for review of property valuations for the 2013-14 Secured Roll within Washoe County, Nevada, came before the State Board of Equalization (State Board) for hearing in Carson City, Nevada, on August 19, 2013 after due notice to the Taxpayer and the Assessor.

The Taxpayer offered new evidence consisting of an appraisal as of June 19, 2013. The Assessor objected to the introduction of the new evidence. The State Board admitted the new evidence into the record. See *Tr.*, 8-19-13, p. 263, ll. 4-21; NAC 361.739.

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.227, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

- 1) The State Board is an administrative body created pursuant to NRS 361.375.
- 2) The State Board is mandated to hear all appeals of property tax assessments pursuant to NRS 361.360 and NRS 361.400.
- 3) The Taxpayer and the Assessor were given adequate, proper and legal notice of the time and place of the hearing before the State Board, and the matter was properly noticed pursuant to the Open Meeting Law at NRS 241.020. *See Record, SBE page 121.*
- 4) The subject properties under appeal consist of a 928 room hotel-casino, constructed between 1934 and 1995, and located on 5.49 acres on multiple blocks in the Downtown Reno Casino District, Reno, Washoe County, Nevada. *See Record, SBE pages 35, 100-103; Tr., 8-19-13, p. 254, ll. 9-20.*
- 5) The Washoe County Board of Equalization (County Board) ordered the total taxable value for the subject properties be upheld for the 2013-2014 secured roll. *See Record, SBE pages 13, 24-25.*
- 6) The Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found a sales price per room was an appropriate metric by which to base a reduction in value, rather than an income approach to value. The State Board considered information about sales of area casinos to establish a base of \$17,500 per room. *See Tr., 8-19-13, p. 310, l. 14 through p. 315, l. 17.*
- 7) The State Board found the taxable value of the subject property should be reduced to \$16,240,000 with the land at \$4,453,004 personal property at \$3,075,361 and the remainder to improvements. *See Tr., 8-19-13, p. 315, l. 10 through p. 316, l. 11.*
- 8) The assessed value as adjusted by the State Board is 35% of taxable value.
- 9) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

CONCLUSIONS OF LAW

- 1) The Taxpayer timely filed a notice of appeal, and the State Board accepted jurisdiction to determine this matter.
- 2) The Taxpayer and the Assessor are subject to the jurisdiction of the State Board.
- 3) The State Board has the authority to determine the taxable values in the State.
- 4) The subject property is appraised, as adjusted, at the proper taxable value in accordance with NRS 361.227.
- 5) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

DECISION

The Petition of the Taxpayer is granted based on the above Findings of Fact and Conclusions of Law. The Washoe County Comptroller is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

2013-2014 Secured Roll

Parcel Number	Taxable Value		Assessed Value	
	Established by County Board of Equalization	Revised By State Board	Established by County Board of Equalization	Revised by State Board
Land	\$4,453,004	\$4,453,004	\$1,558,551	\$1,558,551
Improvements	\$12,971,635	\$8,711,635	\$4,540,072	\$3,049,072
Personal Property	\$3,075,361	\$3,075,361	\$1,076,376	\$1,076,376
TOTAL	\$20,500,000	\$16,240,000	\$7,175,000	\$5,684,000

The Washoe County Comptroller is instructed to certify the assessment roll of the county consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 31st DAY OF OCTOBER, 2013.



Christopher G. Nielsen, Secretary
CGN/ter