



STATE OF NEVADA

STATE BOARD OF EQUALIZATION

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Governor

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WILLIAM D. ANDERSON
Secretary

In the Matter of)	Case No. 18-189
)	
APN: 124-26-401-003)	
124-26-401-004)	
124-27-801-001)	
124-27-801-002)	
)	
Sedona Ranch Investment Partners, LLC)	
PETITIONER)	
)	
v.)	
)	
Michele Shafe,)	
Clark County Assessor)	
RESPONDENT)	

NOTICE OF DECISION

Appearances

Pat Sheehan, Richard Bryan, and Rick Smith appeared on behalf of Sedona Ranch Investment Partners, LLC (Taxpayer).

David Bichsel, Mary Ann Widener, and Deputy District Attorney Lisa Logsdon appeared on behalf of the Clark County Assessor's Office (Assessor).

Summary

The matter of the Taxpayer's direct appeal of valuations converted from agricultural property pursuant to NRS 361A.273(2)(b) came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on September 10, 2018, after due notice to the Taxpayer and the Assessor.

On or about July 12, 2018, Taxpayer submitted its direct appeal to the State Board by email. The subject property consists of four parcels totaling approximately 110.46 acres. They were the location of the former RC Farms Pig Farm in North Las Vegas. The Assessor valued the properties as follows:

APN	Acres	Taxable Value			
		Per Acre FY11/12	Per Acre FY12/13	Per Acre FY13/14	Per Acre FY14/15
124-26-401-003	4.75	\$52,632	\$45,263	\$45,263	\$77,368
124-26-401-004	27.19	\$50,000	\$45,000	\$50,000	\$76,000
124-27-801-001	39.37	\$47,500	\$45,000	\$50,000	\$76,000
124-27-801-002	39.15	\$47,500	\$45,000	\$50,000	\$76,000

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 direct appeals of a notice of conversion which is postmarked on or after December 16 and before July 1, if filed no later than July 15 of the ensuing fiscal year pursuant to NRS 361A.273.
- 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.
- 4) Taxpayer purchased the property in November 2016 for \$23M for 153.5 net acres, \$150,000 per acre.
- 5) The property was subject to deferred taxes as agricultural real property.
- 6) The Assessor became aware that actions were being taken to prepare the property for residential construction triggering a conversion to a higher use.
- 7) On or about April 12, 2018, the Assessor notified Taxpayer that the conversion triggered payment of deferred taxes on those properties for the prior six tax years. NRS 361A.280.
- 8) Taxpayer did not appeal the determination of a conversion to a higher use, but is challenging the valuations for fiscal years 2011-12; 2012-13; 2013-14; and 2014-15.
- 9) Taxpayer argued the subject property would incur substantial remediation costs necessary due to the use of the property as a pig farm for several years prior to any development of the property for residential use.
- 10) Taxpayer's remediation costs of \$5.3M include costs of development for any site and are not exclusive to the subject property's unique development costs.
- 11) The Assessor's values are significantly lower than the sales presented for comparison and the difference in value is very close if not more than the remediation costs

presented by Taxpayer.

CONCLUSIONS OF LAW

- 1) The Assessor and Taxpayer 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.
- 2) 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) Taxpayer has the burden of proof pursuant to NAC 361.735.
- 5) Taxpayer failed to meet its burden to show the taxable values established by the Assessor for the fiscal years in question exceeded full cash value at that time.
- 6) 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

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the State Board decided by a 3-2 vote (Members Meservy and Trowbridge dissenting) to uphold the Assessor's recommendation for no change to the total taxable value for the tax years in question. The Petition is denied.

BY THE STATE BOARD OF EQUALIZATION THIS 31st DAY OF OCTOBER, 2018.


William D. Anderson, Secretary