STATE OF NEVADA
STATE BOARD OF EQUALIZATION
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BRIAN SANDOVAL
Governor

DEONNE CONTINE
Secretary

In the Matter of	)	
	)	
Richard & Masako Post	)	**Case No. 11-446**
APN 137-23-511-032	)	
	)	
Sun City Summerlin Community	)	**Case No. 11-454**
APN 138-17-311-001; 137-13-613-003;	)	
137-23-510-001; 138-17-616-001; and	)	
138-18-110-064	)	
Clark County, Nevada	)	
PETITIONERS	)	
	)	
Michelle Shafe	)	
Clark County Assessor	)	
RESPONDENT	)	

Notice of Decision

Appearances

Douglas S. John of Frazer Ryan Goldberg & Arnold, LLP and Jim Susa of DeConcini McDonald Yetwin & Lacy, appeared on behalf of Richard & Masako Post (Taxpayer Post); and Sun City Summerlin Community (Taxpayer Sun City Summerlin).

Paul Johnson, Deputy District Attorney, Jeff Payson, and Mary Ann Weidner appeared on behalf of the Clark County Assessor's Office (Assessor).

Summary

The matter of the Taxpayer Post and Taxpayer Sun City Summerlin petitions for review of property valuation for the 2011-12 fiscal year within Clark County, Nevada, originally came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on July 13, 2011. The matter was continued pending the results of the appeal of cases 10-377 and 10-379 to the District Court regarding the same properties and issues. The matter was subsequently scheduled for hearing on October 9, 2014 and again on December 12, 2014 after due notice to the Taxpayers and the Assessor.

Taxpayer Sun City Summerlin appealed the value of real property containing four clubhouses and a golf course maintenance facility ("Subject Properties") within a planned community to the Clark County Board of Equalization ("County Board") in January, 2011. Taxpayer Post, homeowners within

the planned community and having the use of the Subject Properties, also appealed the common element allocation they received on their residential parcel (Subject Property II") pursuant to NRS 361.233 as a result of the taxable value placed on the Subject Properties.

The Taxpayers submitted an appraisal of the fair market value of the Subject Properties into the record. *See Record, SBE pages 138-246.* The State Board incorporated the record in Case No. 10-377 and 10-379 into the current matter. *See Tr., 12-12-14, p. 109, l. 19 through p. 111, l. 11; p. 117, ll. 2-7.*

The State Board consolidated Case No. 11-446 and 11-454. *See Tr., 12-12-14, p. 122, ll. 22-24.*

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 Taxpayers 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, Case No. 11-446, SBE pages 299-301; and Case No. 11-454, SBE pages 430-432.*

4) The Subject Properties in case 11-454 consist of real property common elements within a common-interest community, and include the following five parcels:

APN	Size
138-17-311-001	11.06 acres
137-13-613-003	12.05 acres
137-23-510-001	12.42 acres
138-17-616-001	1.93 acres
138-18-110-064	.88 acres

The parcels include land, four clubhouses, a golf course maintenance facility, arts and crafts centers, health clubs, and other improvements such as, but not limited to, pools, tennis courts, and parking, owned by Taxpayer Sun City Summerlin. *See Record, Case No. 10-379, SBE pages 30- 57; 132-133 (Maps); 136 (Minutes); 149-150 (9-27-10 Transcript); Tr. 10-9-14, p. 67, l. 17 through p. 68, l. 8; Record Case No. 11-454, SBE page 148.*

5) Subject Property II in case 11-446 is a single family residence owned by Taxpayer Post and located in Sun City Summerlin on Suncliff Street, Clark County, Nevada. *See Record, Case No. 10-377, SBE pages 58; 133-135 (Maps).*

6) The Assessor's total taxable value of the land component of the Subject Properties owned by Taxpayer Sun City Summerlin in Case No.11-454 is zero. *See Record, Case No. 11-454, SBE page 247.*

7) The Assessor's total taxable value of the improvement component of the Subject Properties owned by Taxpayer Sun City Summerlin in Case No. 11-454 is as follows:

Parcel No.	Description	Taxable Value	Record/Page
138-17-311-001	Sun City Clubhouse	$ 4,614,393	11-454, SBE p. 252
137-13-613-003	Health Club	$ 2,015,667	11-454, SBE p. 256
	Arts & Crafts Center	$ 803,510	11-454, SBE p. 257
	Clubhouse	$ 1,847,013	11-454, SBE p. 258
	Restroom Building	$ 984,329	11-454, SBE p. 259
	Clubhouse	$ 184,648	11-454, SBE p. 260
137-23-510-001	Fitness Center	$ 1,233,093	11-454, SBE p. 253
	Pinnacle CC	$ 3,460,390	11-454, SBE p. 254
	Arts & Crafts Center	$ 1,098,635	11-454, SBE p. 255
138-17-616-001	Sun Shadow CC	$ 2,082,581	11-454, SBE p. 261
138-18-110-064	Service garage	$ 250,539	11-454, SBE p. 262
Total Taxable Value, all improvements:		**$18,574,798**	

8) The Assessor established the taxable value of the improvements by using the Marshall Swift costing service required by NAC 361.128. *See Tr., 10-9-14, p. 69, ll. 10-13.*

9) A percentage of the taxable value of the common elements owned by Taxpayer Sun City Summerlin in Case No.11-454 is assessed to each individual residential community unit located in the Sun City Summerlin community. *See NRS 361.233; Record, Case No. 10-379, SBE page 136.* For example, the proportionate share of the total taxable value of the common elements owned by Taxpayer Sun City Summerlin allocated to Taxpayer Post is $2,389. *See Record, Case No. 11-446, SBE page 191.*

10) The Clark County Board of Equalization (County Board) upheld the values of the land and improvements established by the Assessor. *See Record, Case No. 11-446, SBE pages 209-209; Case No. 11-454, SBE pages 367-368.*

11) The Taxpayers provided an appraisal on the Desert Vista Community Center, one of the subject properties, which indicated the fair market value was $1,000. *See Record, Case No. 11-454, SBE page 140.*

12) In Case 11-454, the State Board found the Subject Properties should be reduced to $10,000 per unit based on the taxpayer's testimony in Case No. 10-379 that $10,000 represents full taxable value using the cost approach and applying all applicable depreciation and obsolescence and evidence in the record. *NAC 361.116. See Tr., 12-12-14, p. 33, l. 4 through p. 34, l. 25; p. 93, ll. 19-25.; p. 117, l. 24 through p. 119, l. 3; p. 120, ll. 6-23; p. 121, l. 14 through p. 122, l. 6.* The Taxpayers testified that the restrictions on use of the Subject Properties diminish the value of the "servient" property for the benefit of the dominant property. The Subject Properties were impaired due to the restrictions on use and were therefore obsolesced. *See also Tr., 12-12-14, p. 26, l. 16 through p. 33, l. 13; p. 69, l. 13 through p. 78, l. 14.*

13) The assessed value of the Subject Properties as adjusted by the State Board is 35% of taxable value.

14) 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 Taxpayers timely filed a notice of appeal, and the State Board accepted jurisdiction to determine this matter.

2) The Taxpayers and the Assessor are subject to the jurisdiction of the State Board.

3) The computed taxable value of any property must not exceed its full cash value, and the taxable value must be reduced if necessary to comply with this requirement. *See NRS 361.227(5).*

4) The subject properties in Case No. 11-454 and 11-446 are appraised, as adjusted, at the proper taxable value in accordance with NRS 361.227.

5) The State Board has the authority to determine the taxable values in the State and to equalize property pursuant to the requirements of NRS 361.395. Accordingly, all community units within the Sun City Summerlin community should be treated equitably by applying the adjusted taxable values of the common elements to each community unit. *NRS 361.395.*

6) The taxable value of each community unit in a common-interest community must consist of the taxable value of that community unit plus a percentage of the taxable value of all the common elements of that common-interest community. The percentage is determined by dividing 1 by the total number of community units in the common-interest community and pursuant to the requirements of regulations. *NRS 361.233; NAC 361.1336.*

7) 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 Clark County Comptroller is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

2011-2012 Secured Roll

	Taxable Value		**Assessed Value**	
Parcel Number 138-17-311-001	**Established by County Board of Equalization**	**Revised By State Board**	**Established by County Board of Equalization**	**Revised by State Board**
Land	$0	$0	$0	$0
Improvements	$ 4,614,393	$10,000	$1,615,038	$3,500
TOTAL	**$4,614,393**	**$10,000**	**$1,615,038**	**$3,500**

	Taxable Value		Assessed Value	
Parcel Number 137-13-613-003	**Established by County Board of Equalization**	**Revised By State Board**	**Established by County Board of Equalization**	**Revised by State Board**
Land	$0	$0	$0	$0
Improvements	$5,835,167	$10,000	$2,042,308	$3,500
TOTAL	**$5,835,167**	**$10,000**	**$2,042,308**	**$3,500**

	Taxable Value		Assessed Value	
Parcel Number 137-23-510-001	**Established by County Board of Equalization**	**Revised By State Board**	**Established by County Board of Equalization**	**Revised by State Board**
Land	$0	$0	$0	$0
Improvements	$5,792,118	$10,000	$2,027,241	$3,500
TOTAL	**$5,792,118**	**$10,000**	**$2,027,241**	**$3,500**

	Taxable Value		Assessed Value	
Parcel Number 138-17-616-001	**Established by County Board of Equalization**	**Revised By State Board**	**Established by County Board of Equalization**	**Revised by State Board**
Land	$0	$0	$0	$0
Improvements	$2,082,581	$10,000	$728,903	$3,500
TOTAL	**$2,082,581**	**$10,000**	**$728,903**	**$3,500**

	Taxable Value		Assessed Value	
Parcel Number 138-18-110-064	**Established by County Board of Equalization**	**Revised By State Board**	**Established by County Board of Equalization**	**Revised by State Board**
Land	$0	$0	$0	$0
Improvements	$250,539	$10,000	$87,689	$3,500
TOTAL	**$250,539**	**$10,000**	**$87,689**	**$3,500**

The Clark County Comptroller is instructed to certify the assessment roll of the county consistent with this decision and to inform the State Board of the revised assessed value for each community unit to which this decision applies.

BY THE STATE BOARD OF EQUALIZATION THIS 3rd DAY OF MARCH, 2015.

Deonne G. Contine

Deonne Contine, Secretary
DC/ter