

Since the matter was not a question of jurisdiction over prior assessment years, the State Board consolidated case numbers 14-148A and 14-148B into a single case. *See Tr., 7-28-14, p. 38, ll. 17-21.*

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 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. The Department provided evidence to show the Taxpayer received notice of the hearing. *See Record, SBE page 184.*
- 3) The subject property consists of 13 patented mill sites and improvements known as the Paradise Peak Mill and Mine located approximately eight miles south of Gabbs, Nevada in Township 10 North, Range 36 East, Section 9 on 65 acres of land. The improvements include tanks, pumphouses, maintenance and storage building, truck shop, laboratory building, guard house, office building, ball mill, bullion building, warehouse, and other miscellaneous improvements. *See Record, SBE pages 13 and 29; Tr., 7-28-14, p. 43, ll. 11-15.*
- 4) The draft minutes and Notice of Decision of the County Board reflect that the improvements had previously been assessed by the Department of Taxation as an active mine but were returned to the County Assessor for valuation in 2002 after the mine had closed. The value of the improvements was not placed on the secured tax roll by the Assessor until the property was re-discovered through the use of aerial photography in 2013. *See Record, SBE pages 12-14; 44-46; Tr., 7-28-14, p. 51, l. 21 through p. 52, l. 8; p.58, l.4 through p.59, l. 7; p. 64, ll. 4-13.*
- 5) The County Board ordered that the taxable value of the improvements of \$5,203,497 and the taxable value of the land of \$4,643 for a total taxable value of \$5,208,140 for APN 001-121-04 value be upheld for the 2014-2015 secured roll. *See Record, SBE pages 44-46.* Notably, the County Board did not enter an order to place value on the 2011-2012, 2012-2013 or the 2013-2014 supplemental tax rolls for property escaping taxation, even though the Assessor petitioned for those years and there is evidence in the record that the values for 2011-12, 2012-13, and 2013-14 years were calculated. *See Record, SBE pages 62; 144-145; and 157-158.*
- 6) The Taxpayer, whose primary business is as an equipment dealer, testified that FMC, the original mine operator, sold the property in 1995. The property was subsequently purchased by a Nevada corporation that went bankrupt in 1996. The Taxpayer purchased the property from the bankruptcy court in 2000. Pursuant to an agreement with the State and the BLM, the Taxpayer agreed to not tear the buildings down but to attempt to sell the property intact. The Taxpayer has actively attempted to sell the property, but has been unable to consummate a final sale, in part because of the \$7 million in reclamation bonding liability outstanding on the property. The Taxpayer testified the buildings have virtually no value. The improvements have been unused since 1994. *See Tr., 7-28-14, p. 44, l. 13 through p. 45, l. 25; p. 59, ll. 15-22; p. 60, l. 23 through p. 61, l. 16; p. 70, l. 1 through p. 73, l. 2.*
- 7) The State Board found the Taxpayer presented sufficient evidence to support values different from that established by the County Board. The State Board further found the Assessor

accounted for straight-line physical depreciation, but did not account for any economic or functional obsolescence as provided for in NRS 361.227. *See Tr., 7-28-14, p. 57, ll. 1-22.*

- 8) Based on the unused condition of the buildings, the length of time on the market, the \$7 million bond liability against the property, the rural location making the site unlikely to be used for an industrial park or other uses, and the expertise of the Board members, the State Board found the property suffered from significant additional economic obsolescence. *See Tr., 7-28-14, p. 79, ll. 3-15; p. 81, l. 25 through p. 84, l. 16.*
- 9) Based on the finding that the property suffers from significant additional economic obsolescence, the State Board reduced the improvement value to \$517,945, which represents about 10% of the cost approach indicator of \$5,179,149 found on SBE page 62. The reduction represents about a 90% depreciated value, or \$5.37 per square foot building value. *See Tr., 7-28-14, p. 84, l. 23 through p. 86, l. 15.*
- 10) 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 State Board has the authority to determine the taxable values in the State.
- 3) The county assessor of any county in which real property is located which is not on the secured roll shall assess the property and petition the appropriate board of equalization to place the property on the secured roll for the next tax year. The taxes for the current year and any prior year must be calculated and collected in the same manner as if the property had been assessed in those years. The assessment may be made at any time within 3 years after the end of the fiscal year in which the taxes would have been due. *See NRS 361.769.*
- 4) Property assessed pursuant to 361.769 may be appealed to the county board of equalization. *See NRS 361.769(4)(d).* Any taxpayer aggrieved at the action of the county board of equalization in equalizing, or failing to equalize, the value of his or her property may appeal to the State Board. *See NRS 361.360.* Accordingly, the Taxpayer and the Assessor are subject to the jurisdiction of the State Board.
- 5) The subject property is appraised, as adjusted, at the proper taxable value in accordance with NRS 361.227 which requires that all applicable depreciation and obsolescence must be subtracted from the cost of replacement of improvements.
- 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

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

2011-2012 Supplemental Roll

APN 001-121-04	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Improvements escaping taxation	\$5,344,092	\$517,945	\$1,870,432	\$181,281
TOTAL	\$5,344,092	\$517,945	\$1,870,432	\$181,281

2012-2013 Supplemental Roll

APN 001-121-04	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Improvements escaping taxation	\$5,278,295	\$517,945	\$1,847,403	\$181,281
TOTAL	\$5,278,295	\$517,945	\$1,847,403	\$181,281

2013-2014 Supplemental Roll

APN 001-121-04	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Improvements escaping taxation	\$5,179,149	\$517,945	\$1,812,704	\$181,281
TOTAL	\$5,179,149	\$517,945	\$1,812,704	\$181,281

2014-2015 Secured Roll

APN 001-121-04	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	\$4,643	\$4,643	\$1,625	\$1,625
Improvements	\$5,203,497	\$517,945	\$1,821,224	\$181,281
TOTAL	\$5,208,140	\$522,588	\$1,822,849	\$182,906

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

BY THE STATE BOARD OF EQUALIZATION THIS 20th DAY OF OCTOBER, 2014.



Christopher G. Nielsen, Secretary
CGN/ter