



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

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In the Matter of

Nevada Speedway

APN: 123-23-301-001, 123-23-701-001,

123-24-000-007, 123-26-101-006,

123-26-301-002, 123-26-501-004

Clark County, Nevada

PETITIONER

Michele Shafe

Clark County Assessor

RESPONDENT

Appeal of the Decision of the

CLARK COUNTY

BOARD OF EQUALIZATION

Case No. 14-150

**NOTICE OF DECISION**

***Appearances***

Stephanie Allen, Esq., of Kaempfer Crowell; Timothy R. Morris and Scott D. Krueger of Timothy R. Morris and Associates; and Bob Byrne appeared on behalf of Nevada Speedway (Taxpayer).

Paul Johnson, Deputy District Attorney, Brian Lemons and Karen Slaughter appeared on behalf of the Clark County Assessor's Office (Assessor).

***Summary***

The matter of the Taxpayer's petition for review of property valuations for the 2014-15 Secured Roll within Clark County, Nevada, came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on July 29, 2014 after due notice to the Taxpayer and the Assessor.

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. *Record, SBE page 487.*
- 4) The subject properties include five contiguous parcels containing 1,027.83 gross and 991.21 net acres, located between I-15 and Las Vegas Boulevard along Speed Boulevard in Clark County, Nevada. The parcels are developed as the Las Vegas Motor Speedway, and contain numerous improvements, including a drag strip, dirt track, short track, go-kart track, driving courses, support buildings and substantial site improvements. The acreage for each parcel is as follows:

APN 123-23-701-001	390.30 acres
APN 123-24-000-007	37.62 acres
APN 123-26-101-006	22.47 acres
APN 123-26-301-002	252.71 acres
APN 123-26-501-004	324.73 acres
APN 123-23-301-001	1.28 acres
Total Gross Acres	1,029.11 acres

APN See *Record, SBE pages 343-347; Tr., 7-29-14, p. 67, ll. 3-14.*

- 5) The Clark County Board of Equalization (County Board) ordered that the total taxable value for the subject properties of \$161,959,305 be upheld for the 2014-2015 secured roll. *See Record, SBE pages 41, 460, and 475.*
- 6) The Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the land value developed by the Taxpayer of \$45,000 per acre was supported and reasonable (SBE page 109, Taxpayer's Summary to Site Value Opinion). *See Tr., 7-29-14, p. 154, l. 19 through p. 155, l. 1.*
- 7) The State Board found the most appropriate indicator for the special purpose property was the cost indicator of value, appropriately adjusted for depreciation and obsolescence. In measuring the obsolescence, the State Board found the subject property had less economic obsolescence based on attendance numbers than other NASCAR raceways as listed on SBE page 93. The State Board further found the sales of other motor speedways provided by Taxpayer on SBE page 114 lacked true probative value. However, the State Board also found the Taxpayer's measure of physical depreciation at the rate of 38.3%, as found on SBE page 112, was appropriate, well supported, and based specifically on this type of property. The State Board found the Assessor had already developed a measure of overall obsolescence rate of 32.2 percent. *See Record, SBE page 372; Tr., 7-29-14, p. 153, l. 12 through p. 157, l. 22; p. 159, l. 11 through p. 160, l. 23.*
- 8) The State Board applied the physical deterioration rate developed by the Taxpayer to the replacement cost new developed by the Assessor of \$219,639,030, resulting in a replacement cost new less depreciation of \$135,517,282. The State Board then applied the overall obsolescence rate of the Assessor of 32.2 percent to measure the obsolescence experienced by the subject. The calculation resulted in an overall value of the improvements of \$91,880,717. *See Tr., 7-29-14, p. 155, l. 19 through p. 156, l. 3.*



- 9) Based on its findings regarding the cost indicator of value, the State Board found the total taxable value of the subject property should be reduced to \$138,190,666 with the taxable value of the land reduced to \$46,309,950 and the balance to the improvements. The land value was calculated using \$45,000 per acre developed by the Taxpayer times the amount of acreage of 1,029.11 acres as reported by the Assessor. See Tr., 7-29-14, p. 161, l. 12 through p. 162, l. 13.
- 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 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. The assessed value is 35% of taxable value.
- 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 Clark County Comptroller is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

#### 2014-2015 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	\$64,143,211	\$46,309,950	\$22,450,124	\$16,208,483
Improvements	\$97,593,066	\$91,880,716	\$34,157,573	\$32,158,251
<b>TOTAL</b>	<b>\$161,736,277</b>	<b>\$138,190,666</b>	<b>\$56,607,697</b>	<b>\$48,366,733</b>

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

BY THE STATE BOARD OF EQUALIZATION THIS 20<sup>th</sup> DAY OF OCTOBER, 2014.



Christopher G. Nielsen, Secretary  
CGN/ter