

STATE OF NEVADA
DEPARTMENT OF TAXATION
1998-99
REPORT OF ASSESSMENT RATIO STUDY



PREPARED BY THE
DIVISION OF ASSESSMENT STANDARDS

MAY 26, 1998

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RATIO STUDY

The Department of Taxation is required to conduct a study each year to determine the ratio of the assessed value of each type or class of property the county assessor has the responsibility of assessing to the assessed value of comparable property in the remaining counties, and to the taxable value of that type or class of property within that county. This study must include a comparison of the latest median ratio, overall ratio and coefficient of dispersion of the median for the total property for each county and for each major property class within each county. In addition, the study summarizes deficiencies discovered in each county. The study also evaluates whether each county has adequate procedures to ensure that all property subject to taxation was assessed in a correct and timely manner.

When conducting the ratio study, consideration is given to any statistical criteria that assists in establishing accurate measures of assessment equality. The study will include a report on nine counties in one year and eight counties in the next year with the same combination of counties being tested in alternate years.

The Nevada Tax Commission shall meet with the board of county commissioners, or a representative of the board, and the county assessor during the month of May to review the conclusions presented in the ratio study for that year. If the Commission finds that all property subject to taxation was assessed at the proper percentage, no action will be taken. If the Commission finds that any class of property is assessed at less or more than the proper percentage, the appropriate action will be taken. And if the Commission finds that there is property in the reappraisal area that was underassessed or overassessed when comparing the ratio of assessed value to taxable value, or if the approved land and improvement factors were not correctly applied to property in the nonreappraisal area, or new construction was not added to the assessment roll in a timely manner, it must order the county to employ appraisers to assess all real and personal property in the county subject to taxation at the rate of assessment required by law.

NRS 361.333 states that a ratio of 32 percent to 36 percent is the acceptable range when comparing taxable value to assessed value of the following classes of property:

Improvement values for the reappraisal area

Land values for the reappraisal area

Total property values for each of the following use categories in the reappraisal area:

- a. Vacant
- b. Single-family residential
- c. Multi-family residential
- d. Commercial and industrial
- e. Rural

The ratios calculated for this study were developed by comparing the existing assessment completed by the county assessor to the taxable value of a sample selected by division appraisers. The statistics produced from the sample form the basis for the report on each type of property defined in NRS 361.333.

The purpose of this ratio study is to:

Analyze the assessments in the physical reappraisal area to ensure that the sample of properties have ratios between 32 percent and 36 percent.

Gather information concerning land and improvement values, personal property values, and general office procedures in each county. The division's goal is to ensure consistent procedures are applied by the 17 county assessors.

Determine if each county has adequate procedures in place to ensure that all property subject to taxation was assessed in a correct and timely manner.

Review assessments in the factored area to ensure that the approved land and improvement factors were applied in a correct and timely manner, and that new construction values were added to the appropriate roll timely.

Analyze and rate all areas and recommend corrective action for those areas. The rating system is:

3. *MEETS STANDARDS*: Meets the standards established by the division and complies with the statutes and regulations. Indicates efficient and effective office management and appraisal practices.
2. *NEEDS IMPROVEMENT*: Does not fully meet the standards established by the division or fully comply with statutes and regulations. Certain aspects of office management and appraisal practice need substantial improvement.
1. *DEFICIENT*: Deficiencies found. Does not meet the standards established by the division or comply with statutes and regulations. Office management and appraisal practice need substantial improvement.

The statistics selected to analyze the sample of properties chosen for the study were used to evaluate the tendency of the sample to cluster around a central point, that being the 35 percent assessment ratio established by the legislature. Other statistics were used to measure the extent that the samples deviate from the point of central tendency.

OVERALL RATIO - The overall ratio is calculated by dividing the total assessed value of the sample by the total taxable value of the sample. This statistic is weighted because the samples with higher values carry more influence than the samples with lower values. The statistic is useful because it will assist with identifying if the assessor is under or over valuing the higher assessed property in the county.

MEDIAN RATIO - The median, in effect, divides the sample into two equal parts. Half of the data falls below and half above the central point. The median ratio is not influenced by numerical values on either side of it. All that is important is whether the values are higher or lower, not how much higher or lower. This statistic is valuable because of the expectation that the sample ratios should be close to the statutory 35 percent assessment ratio.

COEFFICIENT OF DISPERSION - This statistic is useful because it indicates the degree of deviation the sample is from the median. It is calculated by computing the difference between each ratio in the sample and the median ratio. The absolute values of the differences are summed and divided by the number of observations in the sample to obtain the average absolute deviation. This is then divided by the median to calculate the COD. The higher the coefficient is, the lower the level of uniformity in the assessments.

SUMMARIES - The study includes summaries that compare each county's statistics. Another summary compares the division's findings concerning various office procedures with the consistency found from office to office in reporting and maintaining assessment records.

SUMMARY OF STUDY RESULTS

1998-99 RATIO STUDY

REAL PROPERTY

	CL	DO	ES	HU	LA	LY	NY	WP
Sales Collection	3	3	3	3	3	3	3	3
Sales Verification	3	3	3	3	3	3	3	3
Sales Data Base	3	3	3	3	3	3	3	3
Vacant Land (excluding agricultural property)	3	3	3	3	3	3	3	3
Subdivision Analysis	3	3	2	3	3	3	3	2
Single-family Residential Land	3	3	N/A	3	3	3	3	3
Multi-family Residential Land	3	3	N/A	3	3	3	3	3
Commercial and Industrial Land	3	3	N/A	3	3	3	3	3
Factors	3	3	3	3	3	3	3	3
Single-family Residential Improvements	3	3	N/A	3	3	3	3	3
Multi-family Residential Improvements	3	3	N/A	3	3	3	3	3
Commercial and Industrial Improvements	3	3	N/A	3	3	3	3	3
Minor Improvements	2	2	3	3	3	2	3	3
New Construction Valuation	3	3	3	3	3	3	3	3
Agricultural Land	3	3	3	2	3	3	1	N/A
Agricultural Land Records	3	3	3	3	3	3	2	N/A
Agricultural Land Classification Maps	2	3	3	1	3	3	2	N/A
Agricultural Bulletin Use	3	3	3	3	3	3	3	N/A
Residential Homesite Valuation	3	3	3	3	3	3	N/A	N/A
Agricultural Improvements	3	3	3	3	3	3	N/A	N/A
Deferred Taxes	3	3	3	3	3	3	3	2
Higher Use	3	3	3	3	3	3	3	N/A
Agricultural Land Conversions	3	3	3	3	3	3	3	N/A
Assessment Maps	3	3	2	3	3	3	3	3
Prescribed Parceling System	3	3	3	3	3	3	3	3

PERSONAL PROPERTY

Discovery	3	3	3	3	3	3	2	3
Record-keeping	3	3	3	3	3	3	3	3
Agricultural	3	3	3	3	3	3	2	3
Business Property	3	3	3	3	3	3	2	3
Mobile Homes	3	3	3	3	3	3	3	3
Billboards	3	3	3	3	3	3	3	3
Aircraft	3	3	3	3	3	3	3	3
Migratory Property	3	3	3	3	3	3	3	3
Billing/Collection (penalties applied, seizure and sale)	3	3	3	3	2	3	3	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3	3	3	3	3	3	3	3
Possessory Interest Valuation - Personal Property	3	3	3	N/A	3	N/A	3	3
Statutes and Regulations	3	3	3	3	3	3	3	3
Cost Manuals and Systems	3	2	3	3	2	3	3	3
Appraisal Records	3	3	3	3	3	3	3	3
Filing System	3	3	3	3	3	3	3	3
Reports	3	3	3	3	3	3	3	3
Appeal Preparation and Presentations	3	3	3	3	3	3	3	3
Reopened Roll Log	3	3	3	3	3	3	3	3
Obsolescence	3	3	3	3	3	3	3	3
New Construction	3	3	3	3	3	3	2	3
Land Use and Exemption Codes	3	3	3	3	3	3	3	3
Appraisal Cycle	3	3	3	3	3	3	3	3
Improvement Factoring	3	3	3	3	3	3	2	3
Appraiser Certifications	3	3	3	3	3	3	3	3
Appraisers Training Requirements	3	3	3	3	3	3	3	3

SUMMARY
1998-99 RATIO STUDY
MEDIAN RATIOS

	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHURCHILL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CLARK	33.8	33.5	34.0	34.3	33.7	34.1	33.6	35.0
DOUGLAS	34.2	34.0	35.0	34.2	34.2	35.0	33.5	34.8
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESMERALDA	34.2	34.9	35.0	0.0	0.0	0.0	0.0	34.2
EUREKA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUMBOLDT	34.6	34.2	35.0	34.8	34.1	33.1	33.7	35.5
LANDER	34.6	34.9	35.0	32.4	34.7	34.3	34.6	35.0
LINCOLN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LYON	34.9	34.7	35.0	35.0	34.8	34.4	35.1	33.7
MINERAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NYE	33.8	34.9	33.1	33.1	33.9	34.1	33.4	40.8
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STOREY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	34.9	34.8	35.0	35.0	34.8	34.5	35.3	0.0

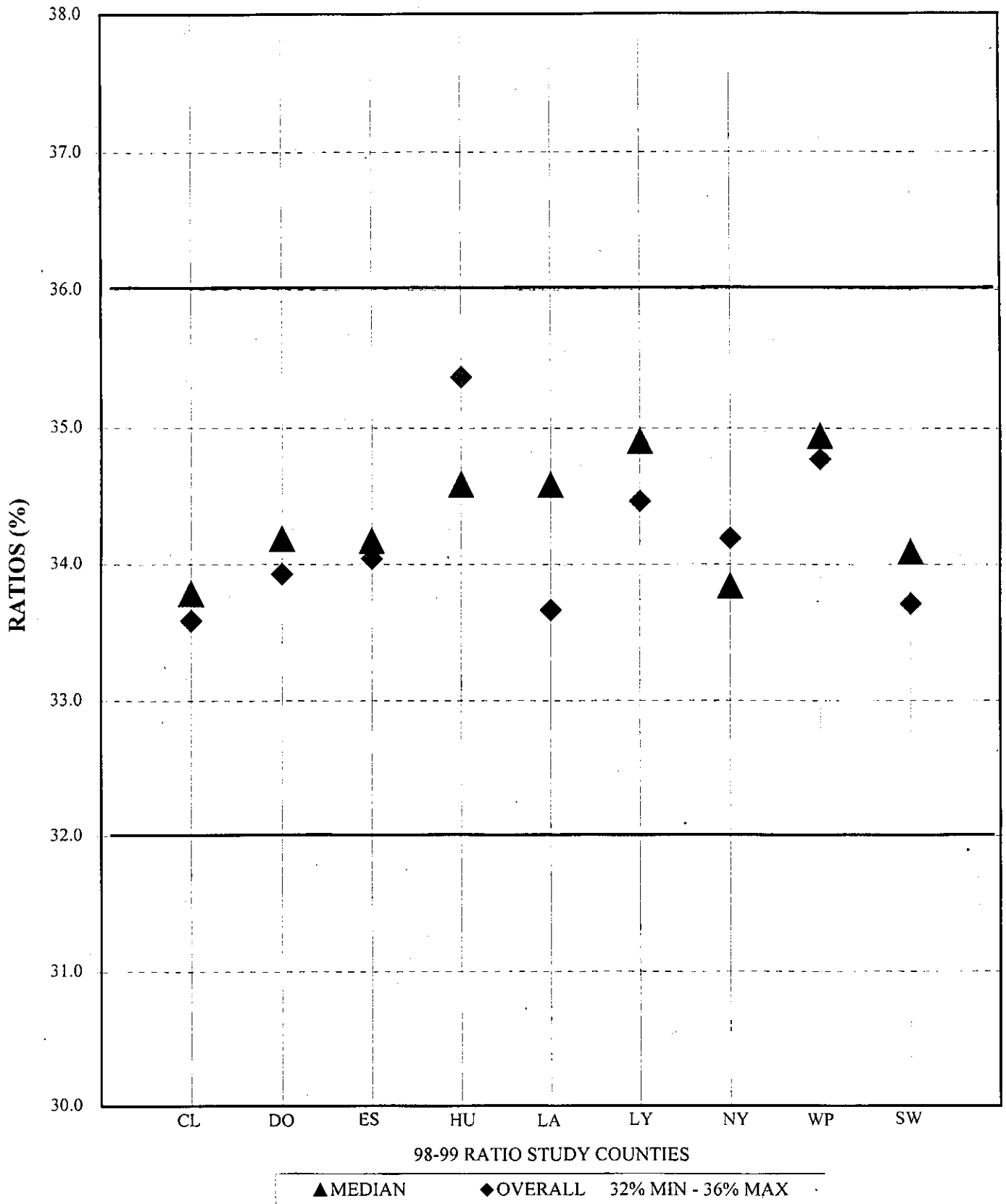
**SUMMARY
1998-99 RATIO STUDY
OVERALL RATIOS**

	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHURCHILL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CLARK	33.6	33.9	32.8	33.6	33.3	35.6	33.6	32.2
DOUGLAS	33.9	33.8	34.3	33.7	33.9	35.0	33.3	34.8
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESMERALDA	34.0	34.5	33.6	0.0	0.0	0.0	0.0	34.0
EUREKA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUMBOLDT	35.4	33.8	37.9	34.4	33.7	33.4	33.9	38.9
LANDER	33.7	33.7	33.7	33.7	34.1	31.8	33.8	33.2
LINCOLN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LYON	34.5	34.2	35.0	34.9	34.5	34.5	34.5	33.8
MINERAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NYE	34.2	34.0	35.0	33.4	34.4	31.0	33.8	42.7
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STOREY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	34.8	34.7	34.9	34.9	34.6	34.7	34.9	0.0

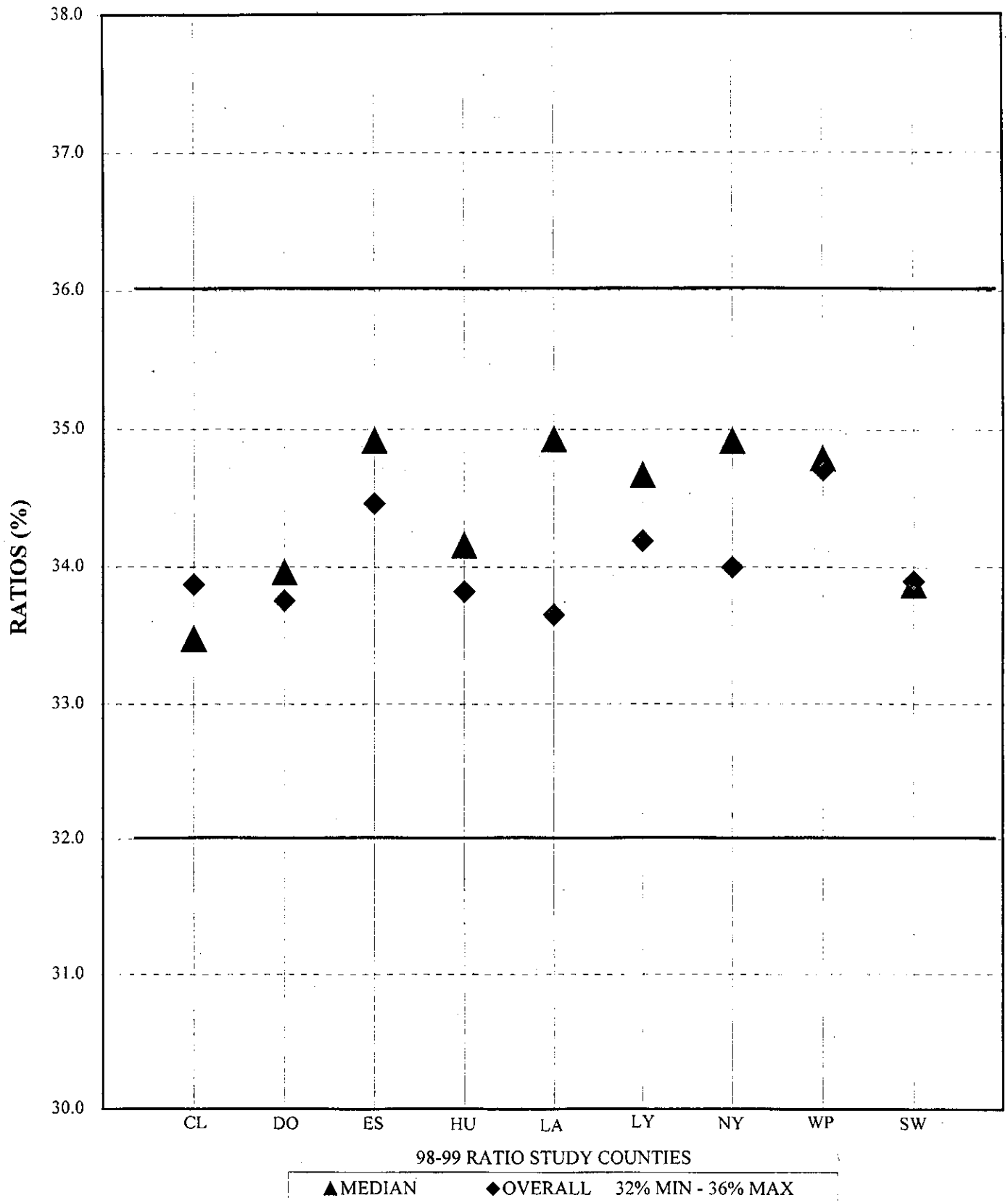
SUMMARY
1998-99 RATIO STUDY
COEFFICIENT OF DISPERSION

	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHURCHILL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CLARK	5.2%	6.8%	9.9%	7.3%	4.2%	4.8%	6.9%	9.3%
DOUGLAS	2.9%	5.5%	1.9%	2.9%	3.2%	1.3%	2.0%	1.3%
ELKO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ESMERALDA	2.2%	3.1%	2.9%	0.0%	0.0%	0.0%	0.0%	2.2%
EUREKA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HUMBOLDT	31.6%	4.1%	47.9%	2.2%	3.8%	2.2%	3.2%	153.8%
LANDER	5.0%	5.7%	3.7%	3.7%	4.3%	4.0%	3.4%	8.3%
LINCOLN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LYON	2.3%	3.9%	0.3%	0.5%	2.5%	2.3%	1.2%	4.6%
MINERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NYE	3.2%	2.7%	3.4%	1.9%	1.8%	4.1%	2.4%	7.7%
PERSHING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STOREY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WASHOE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WHITE PINE	1.9%	2.6%	0.3%	1.4%	1.7%	1.5%	2.5%	0.0%

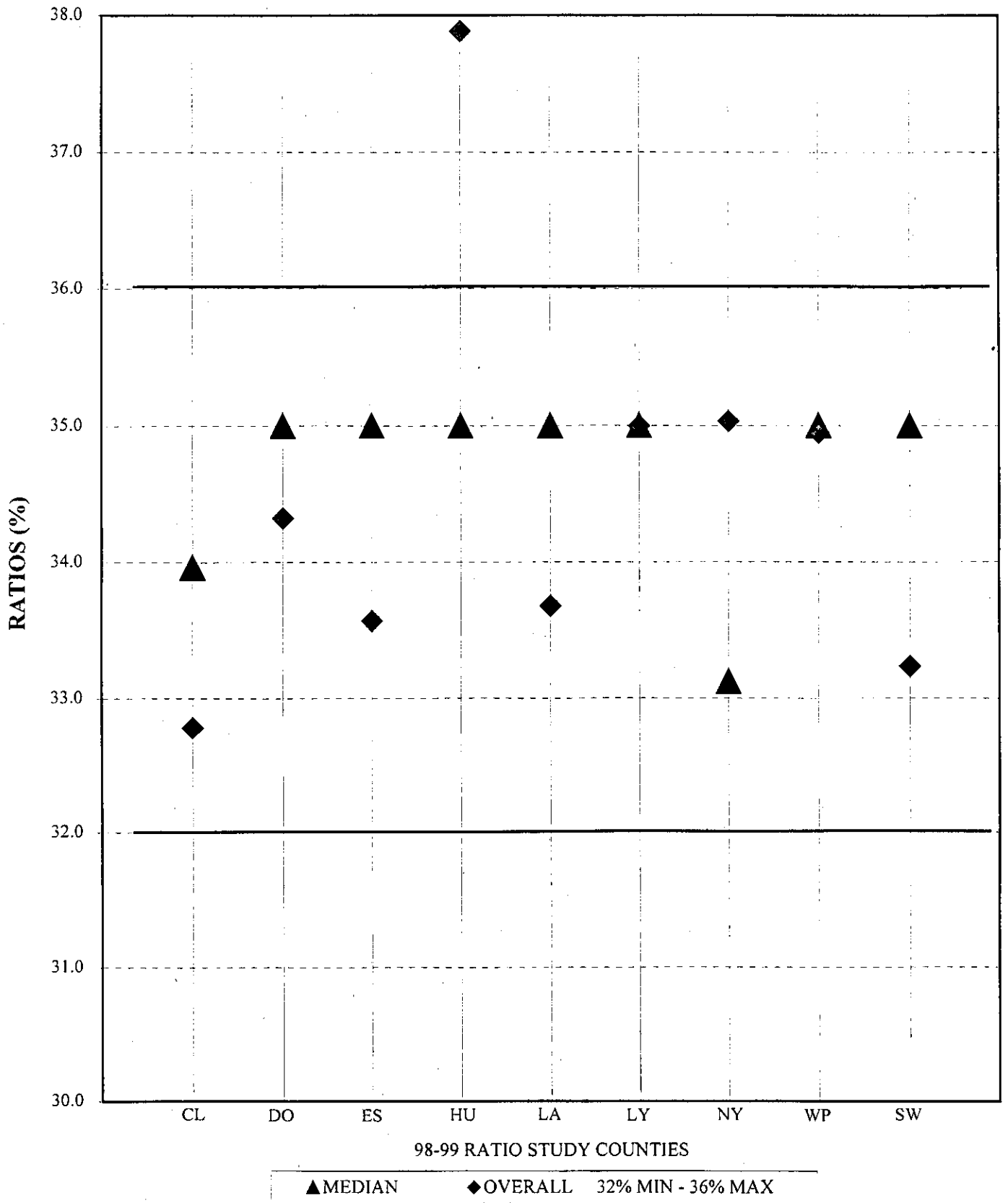
REAPPRAISAL AREA - ALL PROPERTY MEDIAN VS OVERALL



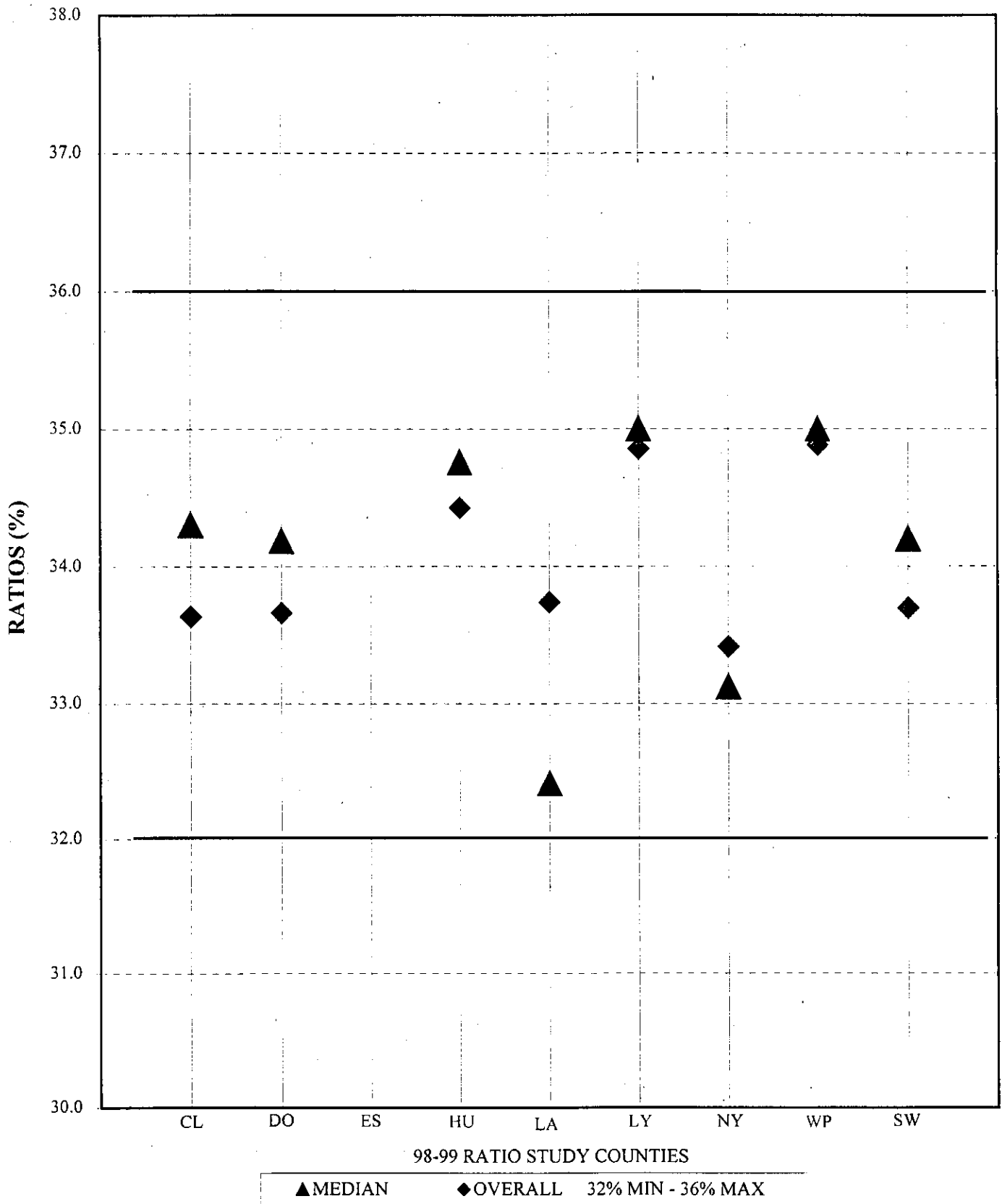
REAPPRAISAL AREA - IMPROVEMENTS MEDIAN VS OVERALL



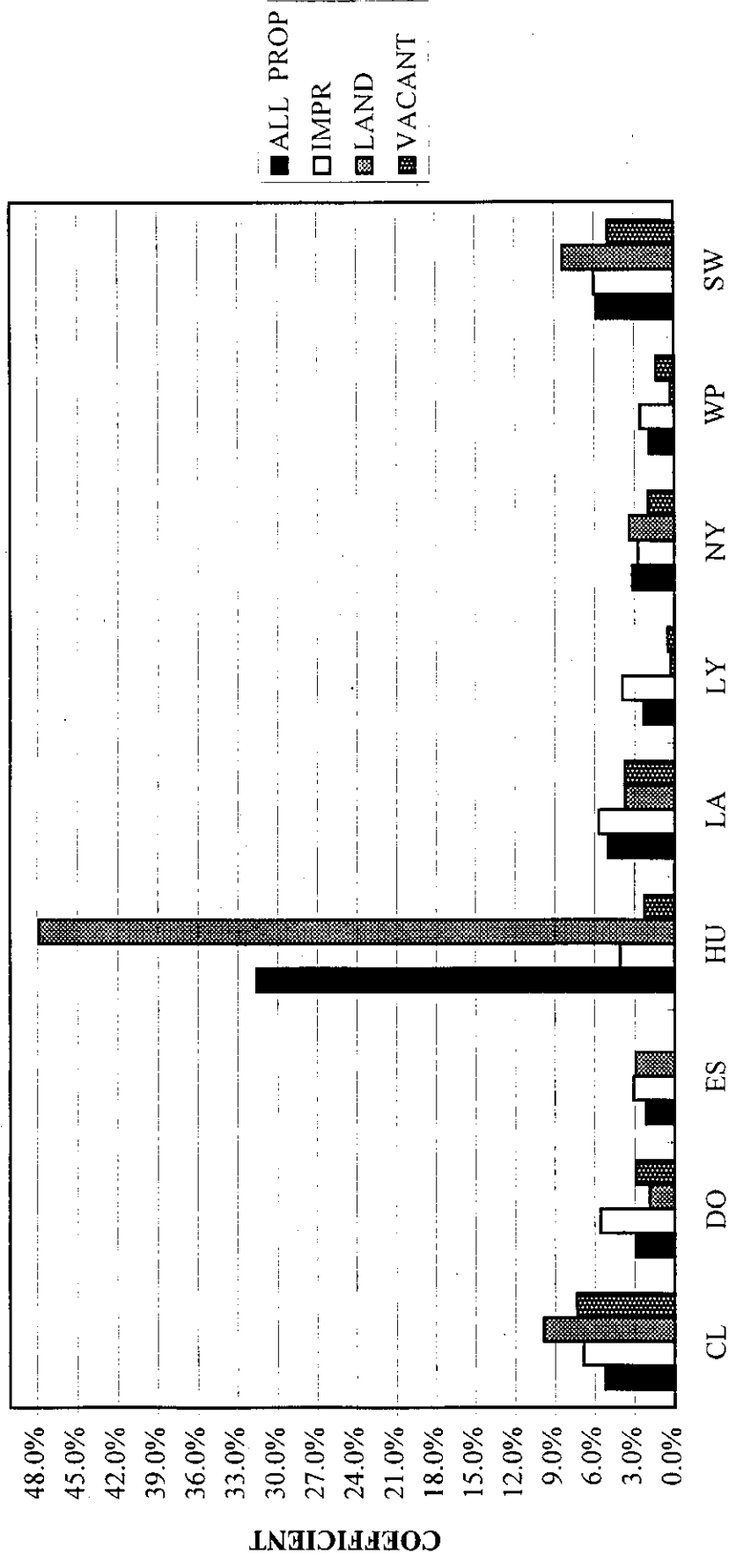
REAPPRAISAL AREA - LAND MEDIAN VS OVERALL



REAPPRAISAL AREA - VACANT MEDIAN VS OVERALL



REAPPRAISAL AREA COEFFICIENT OF DISPERSION



1998-99 RATIO STUDY COUNTIES

**CLARK COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	33.8	33.6	5.2%	541
IMPROVEMENTS	33.5	33.9	6.8%	482
IMPROVED LAND	34.0	32.8	9.9%	482
VACANT	34.3	33.6	7.3%	59
SFR IMPROVEMENTS	33.4	33.2	5.3%	372
SFR LAND	33.7	33.3	8.9%	372
SFR TOTAL	33.7	33.3	4.2%	372
MULTI IMPROVEMENTS	32.8	35.5	10.4%	22
MULTI LAND	35.9	35.8	9.7%	22
MULTI TOTAL	34.1	35.6	4.8%	22
COMM & INDUSTRIAL IMPROVEMENTS	33.8	34.1	13.0%	72
COMM & INDUSTRIAL LAND	32.9	32.4	7.8%	72
COMM & INDUSTRIAL TOTAL	33.6	33.6	6.9%	72
RURAL IMPROVEMENTS	35.0	31.4	6.0%	16
RURAL LAND	35.0	33.5	36.9%	16
RURAL TOTAL	35.0	32.2	9.3%	16
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.5	9.53%	59
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	38.5	36.2	10.22%	4
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.6	12.87%	40
MOBILE HOMES	35.0	35.0	0.01%	15
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.1	1.53%	329
AIRCRAFT	35.0	35.0	0.08%	25
AGRICULTURAL	35.4	36.2	13.52%	6
BILLBOARDS	35.0	35.0	0.08%	7
COMMERCIAL-INDUSTRIAL	35.0	35.3	6.30%	61
MOBILE HOMES	35.0	35.0	0.14%	230
TOTAL PERSONAL PROPERTY	35.0	35.1	2.75%	388

CLARK COUNTY
1998-99 RATIO STUDY

This year, Clark County's reappraisal area included the entire county. This reflects a major change in appraisal cycle that came about because of the recently passed Assembly Bill 644. This legislative change allows the county to appraise real property without physically re-inspecting it when it is reappraised. Clark County possesses the computer technology and expertise to accomplish this enormous task. Through the use of a large number of improved sales and a computer driven land abstraction program, the county staff can establish accurate market land values for most of the parcels within the county. The replacement cost of all the improvements in the assessor's records are recalculated by the main frame computer based on the current Marshall and Swift cost tables. Augmented by a more comprehensive building permit reporting system and a new computer enhanced method of scrutinizing aerial photos, the assessor and his staff can now inspect and value the tremendous volume of new construction in Clark County. This new method of reappraising the entire county using less manpower and more computer technology appears to be an improved system for performing the numerous assessment tasks required in large counties.

Because Assembly Bill 644 did not become law until July 1997, it was too late for the division to adjust the ratio study sample to encompass the entire county. By that date, the majority of the fieldwork for the Clark County ratio study had been completed, and the division had expended its allowance for travel expenses and manpower. The division will make the necessary adjustments required to study the entire county during the next ratio study. For this year, however, the appraisals and statistics for the 1998-99 ratio study of Clark County will cover only the original reappraisal area. This area contains approximately 20 percent of the total number of parcels within the county. Geographically, this area encompasses a portion of North Las Vegas, northern Clark County, the Southeast part of the Las Vegas valley, and the entire eastern part of the county extending all the way to the Utah and Arizona state lines.

The northerly portion of the reappraisal area includes a portion of the city of North Las Vegas and a portion of the north county area. This area involves residential development, however, there were some commercial and industrial uses noted. The region consists of a broad array of land uses including older residential neighborhoods, new subdivisions and commercial properties. North Las Vegas Boulevard runs through this area, and there are a variety of older commercial uses located along the alignment of this major thoroughfare.

The southeastern part of the Las Vegas Valley includes the cities of Whitney, Henderson, and Boulder City as well as the area commonly referred to as Green Valley. The Green Valley area is actually part of the city of Henderson, but is separate and unique. It has experienced rapid growth over the past five years and consists of mostly newer, homogenous residential properties and commercial uses. Boulder City has existed since the construction of Hoover Dam and is located about ten miles east of Henderson. Uses include mostly residential development, with some small, older, areas of commercial development noted.

The remaining portion of the original reappraisal area involves the easterly area of the county, which contains the small rural towns of Glendale, Logandale, Overton, Bunkerville and Mesquite. All of these areas with the exception of Mesquite are rural farming communities with an agriculturally based economy, and small populations. Some of these areas are in transition from farming to residential uses, with the primary attraction being the warm weather and rural setting. Mesquite is located along I-15 just west of the Arizona State line. Mesquite's tourist based economy is reflected in the number of fast food restaurants, motels, small casinos, and several golf courses, which have been constructed over the past few years. The residential portion of the city is also growing, as evidenced by new condominium projects and single family residential developments. The majority of these projects are designed for retirement living or vacation housing.

The Las Vegas area is one of the fastest growing regions in the United States. It has a booming tourist based economy that shows no signs of a slow down in the near future. The estimated population growth is approximately 6,000 new residents each month, which is expected to continue at a similar rate into the foreseeable future. The assessor's records indicate that approximately 32,000 new building permits are issued each year in the greater Las Vegas area. Currently there are four new major casinos being constructed along the "Strip" and many other hotel/casinos are constructing large additions or undergoing extensive remodeling. In addition, there have been recent announcements that several small casinos will be demolished in order to build new, larger casinos on these sites. All of this growth and business activity has created a huge demand for new housing and commercial facilities, which are rapidly expanding into the more suburban areas of the valley.

The original reappraisal area encompassed in this ratio study contains approximately 80,000 parcels. The majority of these involve residential uses. The division's sample consisted of 541 properties, which included 372 single-family residential, 22 multi-family residential, 72 commercial/industrial, 16 agricultural and 59 vacant parcels. This sample represents approximately .7 percent of the total parcels in the original reappraisal area.

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3

Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements (1)	2
New Construction Valuation	3
Agricultural Land	3
Agricultural Land Records	3
Agricultural Land Classification Maps (2)	2
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3
Assessment Maps	3
Prescribed Parceling System	3
<u>PERSONAL PROPERTY</u>	
Discovery	3
Record-keeping	3
Agricultural/Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3
<u>OFFICE PROCEDURES</u>	
Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3

Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The county recorder supplies the assessor with data concerning property transfers. This data is then added to the sales data bank. Included in the printout are the parcel numbers, sale prices, taxable values and document numbers. A copy of each deed accompanies the printout. This collection process includes approximately 40,000 sales annually, which is indicative of the high volume of activity in this market. The division examined the sales data bank and found it to be complete and accurate.

Sales Verification: The assessor verifies vacant land sales by sending a letter/questionnaire to the grantor/grantee involved in each vacant sale. In addition, a questionnaire is sent for all commercial sales, all mobile home sales and for ten percent of all improved residential sales. The assessor reports a 75 percent return rate for these questionnaires. The assessor's staff places a number of distinctive codes on the verified sales to indicate whether they are foreclosures, trust deed sales, partial sales, multiple sales, etc. Only those sales determined to be arms length transactions are coded with an "R" indicating a reliable sale. The appraisal staff is instructed to use only the "R" coded sales in conducting land abstraction programs or other land valuation analysis. The division agrees with these procedures but does believe that more emphasis on sales verification would improve the accuracy of the land valuation analysis.

Sales Database: Sales data is entered into the primary record for each parcel on the mainframe computer. This data is also maintained in a historical database, which can be easily accessed by the assessor's staff. In addition, a new software program called "Open Door" has improved the access to appraisal information. Using a personal computer that is networked to the mainframe computer, an appraiser can quickly print out a small map of any area with the sales listed and identified on the map. The assessor uses other sources to supplement the sales information contained in the database. These include Commercial Property Information Services, the Multiple Listing Service and other information sources, including market rental rate information in the Las Vegas area. Clark County will be purchasing a new Computer Assisted Mass Appraisal (CAMA) system within the next year. This system should further expand and improve this important area of assessment work.

Vacant Land (excluding agricultural property): Overall, the land values set by the assessor and the division are within a close value range throughout the reappraisal area. The division's study did, however, differ in some areas, with the result being 16 outliers in this category. Due to the large number of properties to be valued, and the limited number of vacant land sales available, the appraisal staff must rely almost exclusively on the abstraction technique in order to establish land values. The division used it's own abstraction program in it's study. In some cases, the results did show variances from those values developed by the assessor's staff. (A more thorough discussion of these differences can be found

in the Single-family Residential Land section.) Most of the outliers in this category were discovered in areas where there were a sufficient number of vacant land sales to estimate land values. In almost every case where actual sales were used to determine land values, the assessor's estimates were lower than those developed by the division. This condition indicates that the assessor's staff has taken a very conservative approach to land valuation, at least in these cases. The appraisal staff has taken note of these few areas of difference, and has agreed to review them in the future. Overall, the assessor and his staff are doing an excellent job in the valuation of vacant land.

Subdivision Analysis: The assessor's staff reviews the subdivisions, which may be eligible, for analysis based on the Nevada Revised Statutes. As a result of the rapid growth and active real estate market in the Las Vegas area, most subdivisions tend to sell out within a one to two-year period, and therefore, do not require analysis. The division did conduct a review of the assessor's methods and analysis, and found them to be thorough and accurate.

Single-family Residential Land: Consistent with the trend in many other parts of the country, Las Vegas is experiencing a drastic slow down in the sale of vacant residential lots. Builders and developers are not selling individual lots within a project but are selling these parcels improved. The assessor's staff uses vacant land sales when available, however, in most cases, they must rely on land values that are abstracted from improved residential sales. To establish land value estimates, the appraisal staff has divided the county into separate market areas based on geographic, quality class, and economic factors. The improved sales in these individual areas are then analyzed using a land abstraction program. This type of program abstracts land values from improved sales by subtracting the depreciated cost of the improvements from the total sale price. Once these values are developed, the computer calculates mean and median values for each designated market area. The division agrees with this method of estimating residential land values. It is apparent that this method of valuation will become the required technique for mass appraisal of residential sites, especially in larger metropolitan areas.

In order to verify the accuracy of this appraisal technique, the division created its own land abstraction program. This program is based on an average land to building ratio, plus depreciation and life expectancy schedules for all classes of single-family residences as set by Marshall and Swift. This system was selected based on the fact that it utilizes a market based depreciation schedule for the improvements. It was the division's feeling that this method should result in a more accurate land value estimate when using the abstraction technique. The assessor's staff used a similar type of program: however, they used a straight-line depreciation table of one and one-half percent per year for the improvements.

The overall result of this comparison showed that the land abstraction program used by the assessor was reliable and accurate in establishing credible land values throughout Clark County. The differences in depreciation schedules utilized in the two programs did result in variances in land value estimates, which in turn created a number of outliers. The land values estimated by the division were higher than those estimated by the assessor for newer residences, (one-three years old), and much lower for older homes (30 plus years old). For the properties, which fell between these two age groups, the values developed by the assessor and the division were very similar. Although several outliers did occur in this category, the average, overall, and median ratios were excellent.

The appraisal staff is committed to making continual improvement in their land abstraction program. The new CAMA system to be purchased should give the county additional tools and capabilities for improving the valuation of vacant land.

Multi-family Residential Land: The assessor's staff uses the same land abstraction techniques to estimate land values for most multi-family residential parcels. This appraisal method is also applicable for this property category since vacant sales are virtually non-existent, and condominium ownership requires that a land value be assigned to each individual unit within a complex. The division used its own program to abstract land values for the samples in the ratio study. The results of these were the same as for single-family residences where it was indicated that in older properties, the assessor had higher land values, and in newer properties, the assessor had lower land values than those estimated by the division. The statistics for this property category are within ratio study parameters, but are near the upper end of the acceptable range.

Only a few apartment buildings were included in the ratio study. All of the land values reviewed were developed correctly. The appraisal staff used all the available tools in determining land values for apartment properties. The county did use the appropriate units of comparison in their comparable sales analysis and in determining land values. The division agrees with their methodology and no outliers were discovered for this type of multi-family residential unit.

The assessor and his staff are doing a good job in the valuation of multi-family residential land, and are using innovative appraisal techniques.

Commercial and Industrial Land: The assessor's staff has been faced with a difficult job in determining the commercial land values in Clark County. With the fast growing and continually evolving market that now exists in the Las Vegas area, the trends in business development and commercial property values are in a constant state of change. The appraisal staff uses vacant land sales of similar type properties to establish land values for commercial properties. They do an excellent job of verifying commercial land sales. New development trends and neighborhood changes are also closely monitored. The division agrees with the appraisal methods that are being used by the assessor's staff.

Although there were outliers in this category, they were in the lower range, and the overall ratios were well within ratio study tolerances. This is attributed to a conservative approach to valuation by the staff, and rapid appreciation in sale prices in most areas of the valley. The new method of appraising the entire county every year will actually improve this area of valuation since the assessor and his staff will have more time to conduct an in depth analysis of the quickly changing commercial real estate market. In addition, the reappraisal of these commercial properties each year will keep the values more current than relying on the use of factoring during the five-year cycle.

The addition of a new CAMA system in the near future should help as well. This system should be of value when comparing vacant sales and land values in newer commercial areas of the city to the older areas that do not have sufficient vacant land sales.

Factors: Due to a change in the statute concerning the valuation of real property, land factors were not utilized in Clark County this year. The new statute allows the assessor the option of appraising property without physically inspecting each parcel. Once this option became available, the assessor did elect to reappraise the entire county. Land factors have been used in the non-reappraisal area of the county for many years in an attempt to keep property values current until the five-year reappraisal cycle occurred. Since the assessor has decided to reappraise all the parcels within the county, the land factors are not required.

Single-family Residential Improvements: The assessor's staff is confronted with a formidable task in trying to value the large number of residential properties that exist in Clark County. Because of the predominance of this property type in the ratio study, the division selected a large sample. Within this property category a small number of outliers did occur, however, most of the samples were near perfect in ratio percentage. Although the assessor and his staff are doing an excellent job of residential valuation in general, there were a couple of small problem areas noted. The first involved minor improvements associated with mobile homes that were often appraised incorrectly. Most mobile home samples in the study had very low ratios due to minor improvements that the appraisal staff failed to inventory and value. The division consistently estimated higher values than the assessor in the valuation of minor improvements. This difference usually did not cause an outlier, but did lower the ratio by one or two percentage points. A more in-depth discussion of this topic is included in the section on Minor Improvements.

Another problem area noted involves additions to single-family residential structures. Many of the outliers in this category were the result of additions that the assessor was unaware of, and therefore did not value. This problem has arisen over time because of the ever-increasing workload. Assembly Bill 644, which eliminates the need for re-inspection should give the assessor and his staff more time to concentrate on these additions. The use of aerial photography and an aggressive pursuit of building permits should also improve the discovery of this type of improvement. The number of improvements discovered by the division involved only a very small portion of the ratio study sample.

The assessor's method of costing condominium structures was also discovered to be incorrect. The appraisal staff chose to add the square footage of all of the buildings in a complex into one lump sum, and then calculate a square foot cost as if these buildings were one large structure. The correct method as outlined by Marshall and Swift, is to cost each separate building to arrive at a square foot cost, which can also be applied to individual units. The method currently used by the assessor results in an artificially low per square foot cost. Although the assessor has been costing these improvements incorrectly, the result was only a few outliers, which did not severely impact this property category.

With consideration given the number of appraisals that the assessor and his staff are responsible for, and the unprecedented growth that is occurring in the Las Vegas area, the Clark County assessor and his appraisal staff are doing a excellent job in the valuation of residential properties. The single-family residential improvements within this category resulted in mean, median, and overall ratio study percentages that are well within statute limits. In addition, the division does commend the assessor and his staff for leading the way in the implementation of innovative methods of computer assisted mass appraisal.

Multi-family Residential Improvements: Multi-family residential improvements involve a wide array of improvement types and sizes. These include duplexes, triplexes, four-plexes, apartments, RV parks and mobile home parks. Generally, the assessor is correctly measuring and valuing this type of property. The slightly lower overall percentage in this property category was the result of differences in the value of minor improvements, with similar problems discovered to those discussed in the Single-family Residential category. The division did discover one mobile home park that had a significant number of buildings and other improvements, which had been removed, but were still on the appraisal record. This resulted in a very high ratio percentage for this particular property; however, it was not considered significant since it was the only outlier with an extremely high ratio.

Commercial and Industrial Improvements: The commercial and industrial sample taken by the division included over 70 properties which involved a wide variety of property types and sizes. The sample for this category contained a number of high value, very complex properties. Included in this representative sample were small casinos, shopping centers, strip malls, banks, wholesale outlets, distribution centers, large industrial complexes, manufacturing businesses, automotive repair shops, hospitals, fast food restaurants, and a wide variety of individually owned businesses. The assessor and the division were in very close agreement on classification, costing methods, and values. There were only six commercial properties outside the acceptable ratio range and these were due to occupancy differences and minor improvements. One commercial site in Mesquite did have the entire building removed, with only the foundation remaining when the division examined it. This improvement was still being valued by the assessor, which caused an outlier with a high percentage. This was the only sample in this category found to be considerably outside of ratio study parameters. Again, the slightly lower overall percentage in this category was the result of the differences in the estimates of minor improvement values between the division and the assessor.

Based on the finding of this diversified sample and the variety of commercial improvements that were examined by the division, it is apparent that the appraisal staff is knowledgeable and competent in the inspection and valuation of commercial improvements.

(1) Minor Improvements: 2

Analysis: Of all the real property categories that were examined by the division, the minor improvements were the one area that needed improvement. The division found a number of examples in all three major property categories: Single-family Residential, Multi-family Residential and Commercial/Industrial which included minor improvements that were not valued by the assessor. The most frequent types of improvements not valued were lawn sprinklers, yard lighting, concrete flatwork, and fencing. The omission of these improvements resulted in or contributed to a considerable number of properties having improvement ratios outside of statutory limits. As previously mentioned briefly in the other improvement categories, the lack of the inclusion of these improvements in the valuation had an overall effect of lowering the median and average ratios by one to two percentage points.

The reason for the differences in minor improvement values can in some cases be attributed to errors by the appraisers, however in most cases inadequate lump sum values were assigned to minor improvements by the appraisal staff. In a county as large as Clark, it is quite common to develop lump sum values for minor improvements such as sprinklers, fencing, etc. The division agrees with this

approach to minor improvements realizing that it would be virtually impossible for the county assessor and his staff to measure and value all of the individual improvements. On the other hand, the division's appraisal staff took the time to measure and cost all of these minor improvements for the ratio study samples. A comparison of these values to the assessor's estimated lump sum values revealed the following facts. Overall the study indicated that the minor improvement values determined by the appraisal staff were almost always lower than those estimated by the division.

One of the property types where this is most apparent was for mobile homes. There were a number of very low ratios in the mobile home category due to differences in minor improvements. Because mobile home properties typically have very few improvements, the differences in the valuation of minor improvements become very apparent. The result was a considerable impact on ratios due to the lower total assessed value of a mobile home. It is noted that even though the ratios are very low, the actual dollar value is minimal when compared to the rest of the real property improvements. In the commercial properties, the failure of the appraisal staff to value items such as paving, sprinklers, outdoor lighting, concrete flatwork, and pole signs resulted in the differences in the valuation of the minor improvements in these properties.

Recommendation: The division has several recommendations to help improve the valuation of minor improvements in Clark County. The first and by far the most important would be to increase the lump sum amounts used in valuing minor improvements. Based on the findings of a small survey of the cost of typical minor improvements by region, etc., the appraisal staff could set a range of values which would more accurately reflect the actual cost of minor improvements associated with an average single-family residence.

The second recommendation is to establish additional lump sum values for minor improvements associated with other property categories. This would be of particular importance for mobile home property valuation.

Another solution, which is more time consuming but is the best method, is the training of appraisers to be more diligent in the inspection and valuation of minor improvements. The addition of the new data collector positions could prove to be very helpful in identifying and adding minor improvements to the roll.

The assessor's office has already implemented the division's final recommendation. This involved the use of aerial photos along with an increased emphasis on picking up low dollar value building permits. This system should help improve minor improvement valuation a great deal. This program has just recently been implemented and is being improved in its effectiveness by better photo resolution, and more frequent flyovers. Since it is new, the full benefits have not yet been recognized.

New Construction Valuation: The division's sample of new construction indicated that the assessor correctly values and depreciates new improvements.

Agricultural Land: Agricultural property is not a significant property type in Clark County. Sixteen properties were sampled, and four were found to be outside of ratio parameters. The division inspection of the samples indicated that the three high ratios and one low ratio were the result of land use

classification changes that were not discovered by the assessor. It was obvious that no changes in cultivation or forage classifications were made by the assessor's reappraisals. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 36.9 percent. It is the recommendation of the division that the county agricultural appraisers receive training in the area of agricultural land classification.

Agricultural Land Records: The agricultural land records were updated for the current appraisal and do reflect current bulletin values.

(2) Agricultural Land Classification Maps: 2

Analysis: The appraisal files provided by the assessor did not include land classification maps.

Recommendation: The assessor needs to create an accurate land classification map for each agricultural parcel in a scale large enough for correct delineation of each use. The maintenance of accurate land classification maps is essential to the valuation of agricultural properties. Maps are also invaluable when parcel splits occur, or when a portion is converted to a higher use, and deferred taxes become due.

Agricultural Bulletin Use: The assessor valued all agricultural property in the reappraisal area using the current agricultural bulletin.

Residential Homesite Valuation: The assessor identified and correctly valued residential homesites in all but one sample. The sample that is not in compliance included a mobile home, a residence converted to a clubhouse, and a second farmstead area consisting of a 25 space mobile home park.

Agricultural Improvements: Eight improved agricultural parcels were included in the study. The assessor correctly valued the improvements on all but two of the samples. On one sample, a storage building, which had been destroyed, was still being valued. The second sample had a ratio below statutory limits because minor improvements were not being valued. The correct Assessor's Handbook of Rural Building Costs and the correct update of the Marshall and Swift cost service figures were used to value the improvements.

Deferred Taxes: A review of several of the most recent agricultural land conversions indicates that the assessor's procedure in calculating and collecting deferred taxes is correct.

Higher Use: Changes to higher use of agricultural parcels and areas of higher use on qualifying parcels were properly noted and valued by the assessor.

Agricultural Land Conversion: The assessor had only one parcel (14.23 acres) convert from agricultural use to residential or commercial/industrial use during 1997. A review of the assessor's calculation for deferred taxes found them to be correct.

Assessment Maps: The assessor's maps are prepared by the county mapping division using a Geographic Information System (GIS). The new maps are of good quality, and are easy to use. The GIS system gives the assessor the ability to use the maps as an analytical tool.

Prescribed Parceling System: The assessor does use the prescribed parceling system. A review of the tax roll shows that all parcels including exempt parcels are listed, and the assessor uses no summary or referral parcels.

PERSONAL PROPERTY

Discovery: Clark County's personal property discovery system is excellent. Business licenses are required for all businesses. FAA reports, along with airport tie down records, are used to identify aircraft. Mobile home permits are required within the county. In addition, the personal property staff physically visits all mobile homes (32,000 units) each year.

Because of the rapid growth rate in Clark County and the workload placed on the business license division, it is possible that some businesses are going undiscovered for a period of time. A yearly check of the business database against the yellow pages may reveal some undiscovered businesses.

Record-keeping: The files in Clark County are excellent. The mobile home Dealer's Report of Sale and mobile home records are kept on file for each year in account/decal number order. Business, ranch, aircraft and billboard declarations are filed by personal property account number. Two years' past declarations, plus the current year's declarations are kept in each file. Older declarations are microfilmed and put in permanent storage. All files are neat and well organized.

Business/Agricultural Property: This is one of the most difficult property categories within the county to administer. The absence of an itemized personal property declaration causes two significant problems in the personal property system.

- (1) A blank declaration is mailed to taxpayers with instructions for completing the form. An itemized list of assets that are currently on the tax roll is not included. The declaration is completed by the taxpayer and returned to the assessor. The information on the declaration is compared to the previous year and new items are added to the roll. Items that are not on the new declaration but appear on the previous roll continue to be included unless specifically deleted by the taxpayer. The declaration provides an area to delete historical items no longer owned by the taxpayer, but the taxpayer seldom makes use of this column.
- (2) When reconciling declarations the assessor uses a FDA (fully depreciated assets) entry to account for items like tools, older items, etc. and to estimate those items not reported by the taxpayer. The assessor, through audit procedures, is eliminating all FDA entries as the files are reviewed; however, this process has not been completed.

The division used the amounts reported by the taxpayer to the assessor in its calculations. (FDA amounts were not used.) This procedure resulted in a number of ratios outside statutory limits.

The assessor does utilize several programs in the personal property area, which are designed to encourage accurate reporting and improve customer relations. Audits of business accounts are performed on-site by the assessor's staff. This practice helps to ensure accurate reporting on the declarations and can add property to the roll that was not formally reported. In addition, the assessor

provides seminars for taxpayers that are designed to help taxpayers correctly complete their personal property declaration.

The division does recommend that the assessor continue to eliminate FDA items from the personal property roll. Those items, which cannot be eliminated, and are in reality estimated assessments should be identified as such.

The division also recommends that a procedure be implemented to provide the taxpayer with a listing of assets that were assessed on the previous roll. This process would eliminate the problems as previously discussed, increase the accuracy of the declarations, and save the personal property staff a considerable amount of time reconciling accounts. This may be accomplished when the new CAMA system is installed.

Mobile Homes: Clark County has the largest group of mobile homes in the state. The assessor does an excellent job of valuing this category. The calculations for mobile homes are completely computerized and accurate. The division sampled mobile home valuations going back several years in the files and found all to be correct.

Clark County staff members physically visit each mobile home every year to verify its location, decal number and present status of tax payment.

Billboards: Assessment in this category is excellent. All billboard accounts are entered and calculated on a personal computer. The PC software allows for individual line items and a printout of all calculations and assessed values. A printout is sent to the taxpayer each year for review. Billboards are a large property category in Clark County. In the seven samples selected for review, no errors were found.

Aircraft: One staff member handles this property category. All aircraft accounts are maintained on a personal computer. The PC software allows for individual line items and printouts covering all calculations and assessed values. No errors were discovered within this property category, which resulted in an excellent ratio.

Migratory Property: Clark County is appraising and assessing migratory mobile homes in accordance with the Nevada Revised Statutes. Mobile homes that arrive in the county after the July 1st lien date are added to the system and then taxed on the following year's tax roll. All other migratory property is also being assessed correctly.

Billing/Collection (penalties applied, seizure and sale): Clark County's collection program is excellent. All penalties and interest are being correctly levied on delinquent accounts. Clark County conducts a very aggressive program for the collection of delinquent taxes. If collection efforts are not successful within the prescribed time frames, the county will seize and sell the personal property for the collection of taxes. The county typically sends 35 letters of intent-to-seize every week. In addition, the county has two collectors who spend nearly 100 percent of their time in the field posting seizure notices and checking on other delinquent accounts. Several members of the staff are responsible for monitoring past due accounts. An aggressive follow-up phone call program is in place to ensure timely payment of

taxes. Approximately 1,200 mobile homes were seized during the past year and thirteen were finally sold for taxes. Several business accounts were also seized and sold.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: Possessory interests valued by the assessor in Clark County are the hangars at the county airport, several areas used privately at the St. Rose Dominican Hospital and several areas on Forest Service and BLM land. Those possessory interests that are located upon or within the limits of the Clark County Airport include only an improvement value, and those outside of the airport limits include both land and improvement values. The assessments at the St. Rose Dominican Hospital, and those involving Forest Service and BLM lands include both a land and improvement value.

Possessory Interest Valuation - Personal Property: The assessor is now valuing all personal property possessory interests of the federal contractors who use government property on federal facilities such as Nellis Air Force Base, the Nevada Test Site and Indian Springs. The assessor also continues to value those personal property possessory interests at Lake Mead. The assessment at these sites includes only an improvement value that is correctly applied as directed by NRS 361.157.

Statutes and Regulations: The assessor does have several copies of the Nevada Revised Statutes and Nevada Administrative Codes, which have all been correctly updated.

Cost Manuals and Systems: The assessor uses an in-house computer costing system to value most improvements. The system is based on the Marshall and Swift Residential and Commercial Cost Manuals. Agricultural improvements are valued using the Assessor's Handbook of Rural Building Costs published by the division. The assessor has several copies of the Assessor's Handbook of Rural Building Costs and six copies of the Marshall and Swift Residential and Commercial Cost Manuals. All manuals have been correctly updated. Most of the manuals are used for reference only, since the computer is used to value most items.

Appraisal Records: The assessor's real property appraisal records contain very little hard copy information. The majority of the files only contain a sketch of the improvements. The commercial files may include some historical data that is used for reference purposes only. The complete record for each file is maintained in the county computer system. Property records include building and land data, a value history, the owner's name and property address, the appraiser's identification number, and the date of the last property inspection. Only the information needed to identify the property and defend the appraisal is included in the property record.

Filing System: The assessor's real property record files are organized in parcel number order. This system allows for easy retrieval and is efficient to use.

Reports: All of the many reports required of the assessor were correctly completed and the majority of them were delivered on time.

Appeal Preparation and Presentations: For this tax year there were approximately six hundred appeals to the Clark County Board of Equalization. The assessor's staff is prepared and proficient when presenting the county's position at board of equalization hearings.

Reopened Roll Log: The roll log required by NRS 361.310 to be received on or before October 31, 1997 was received on November 10, 1997. This report was correctly completed.

Obsolescence: The assessor compares taxable value to sales prices on a regular basis to determine if taxable value is exceeding full cash value on any properties. With the use of in-house computer programs the assessor has the ability to array data in many different ways so that different property types and improvements which differ in age can be analyzed.

The assessor has made adjustments to 194 properties. Forty-seven received a reduction due to the condition of the property, such as sagging floors or a settling foundation. These adjustments are reviewed during the reappraisal process and changes are made as required. One hundred forty-seven income producing property values were reduced based on their income and expense statements. The assessor requests an updated income statement each year for income producing properties. These statements are then reviewed to determine if the value developed by the income approach is in line with the other approaches to value.

New Construction: The main method of discovery is through city and county building permits. County, City of Las Vegas and Henderson data is received electronically through the computer. North Las Vegas, Boulder City and Mesquite data is received in a printed format and then manually entered into the computer. All of the data will reportedly be received electronically in the future.

During the 1997 calendar year the assessor had approximately 32,000 building permits in the system. With this kind of volume and no relief in sight, the assessor has been forced to look for alternative methods of inventorying and valuing new construction in a timely manner. One of the biggest improvements has been the integration of the maps produced by the Geographic Information System (GIS) with the building permits. This allows the assessor to organize the inspections of the new improvements in a more productive manner. The GIS maps also contain data on the current use and value of the property. In addition, the assessor uses aerial photos to discover discrepancies on properties. This has proven to be a very useful tool for discovering improvements that were constructed without a building permit, or where the permit was lost or misplaced. Nevada Revised Statute 361.221 now allows uncertified persons to collect data, but not appraise value. The assessor has created five data collector positions and the individuals are responsible for reviewing the building permits with minor improvements. This gives the certified appraisers more time in which to inspect and value the larger improvements.

With the assessor now reappraising the entire county each year, the appraisal staff has been split into five appraisal teams, with each team having responsibility for appraising one fifth of the county. During the months of February through June, the building permits are separated by geographical area and distributed to each team. New construction is the assessor's top priority during this time period with the goal of valuing as much new construction as possible before the lien date. New construction that is discovered prior to the close of the roll in December is included at that time. New construction that is

discovered after the close of the roll is included on the roll log. New construction that is discovered after the lien date but existed on July 1st is billed on the supplemental roll. A review of several parcels with new construction showed that the new improvements are being correctly valued and depreciated.

Land Use and Exemption Codes: The use and application of land use codes by the assessor are correct. It is the division's feeling that the system could be improved by the use of a coding system for vacant land parcels, which indicates their most probable use. The current zoning coverage might be a good indicator. At the present time, all vacant parcels are coded "vacant unknown".

Appraisal Cycle: With the enactment of assembly Bill 644, the assessor is now appraising the entire county each year.

Improvement Factoring: During the 1997 legislative session NRS 361.260 was amended to remove the wording "physically reappraise" and replace it with "reappraise". This now gives the assessor the option of revaluing the entire county each year without physically reappraising each parcel. Because the assessor has exercised this option, improvement factors will no longer be utilized in Clark County.

Appraiser Certification: Clark County has 50 appraisers which are certified in both real and personal property, two who are certified in real property only, eight who are certified in personal property only, and two who have temporary real property certificates.

Appraiser Training Requirements: The assessor has established an in-house training program, which is designed to prepare new persons on the staff for the certification test. The assessor is also cross-training all appraisal personnel for both real and personal property. All of the appraisers are in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 1998.

**DOUGLAS COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.2	33.9	2.9%	101
IMPROVEMENTS	34.0	33.8	5.5%	86
IMPROVED LAND	35.0	34.3	1.9%	86
VACANT	34.2	33.7	2.9%	15
SFR IMPROVEMENTS	33.8	33.5	7.3%	53
SFR LAND	35.0	34.8	1.1%	53
SFR TOTAL	34.2	33.9	3.2%	53
MULTI IMPROVEMENTS	34.3	34.8	1.8%	11
MULTI LAND	35.7	35.3	0.9%	11
MULTI TOTAL	35.0	35.0	1.3%	11
COMM & INDUSTRIAL IMPROVEMENTS	33.9	33.3	3.2%	15
COMM & INDUSTRIAL LAND	33.3	33.3	2.0%	15
COMM & INDUSTRIAL TOTAL	33.5	33.3	2.0%	15
RURAL IMPROVEMENTS	34.3	34.7	2.0%	7
RURAL LAND	35.1	35.4	1.3%	7
RURAL TOTAL	34.8	34.8	1.3%	7
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.9	1.74%	74
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.4	2.18%	12
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.5	2.84%	8
MOBILE HOMES	35.0	34.8	1.47%	54
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.8	1.47%	118
AIRCRAFT	35.0	34.9	2.04%	20
AGRICULTURAL	34.9	35.1	2.09%	8
BILLBOARDS	35.0	35.0	0.00%	3
COMMERCIAL-INDUSTRIAL	35.0	34.5	2.93%	28
MOBILE HOMES	35.0	34.8	0.58%	59
TOTAL PERSONAL PROPERTY	35.0	34.8	1.57%	192

DOUGLAS COUNTY
1998-99 RATIO STUDY

Douglas County's reappraisal area included Parcel Book 25, which comprises the towns of Minden and Gardnerville, and Parcel Books 31 through 39 which encompasses the Pinenut area, Topaz Lake and Topaz Ranch Estates. The reappraisal area included a total of 5,215 individual parcels of record. Of these, 2,483 involved vacant land, and 368 were agriculturally deferred. The division's review involved the inspection and valuation of fifteen commercial/industrial, fifty-three single-family residential, eleven multi-family residential, seven agricultural, and fifteen vacant land parcels. Selection of the properties to be surveyed is based on random numbers generated by a computer. The number of samples in the Douglas County survey represents 5.2 percent of the commercial uses, 2 percent of the residential uses, 9.2 percent of the multi-family residential uses, 1.9 percent of the agricultural uses, and .6 percent of the vacant land parcels involved in the reappraisal cycle.

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements (1)	2
New Construction Valuation	3
Agricultural Land	3
Agricultural Land Records	3
Agricultural Land Classification Maps	3
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3

Higher Use	3
Agricultural Land Conversions	3

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems (2)	2
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The assessor receives copies of deeds and declarations of value from the recorder's office. The pertinent information contained in these documents is then verified and input into the computer sales data bank.

Sales Verification: Sales data is verified through interviews with grantors and grantees as well as other knowledgeable parties such as real estate brokers and agents. A spot check is also conducted covering ten percent of the recorded sales transactions contained in local title company files. This procedure is followed in order to determine the accuracy of the sales data reported on the declaration of value forms received from the recorder's office. The assessor does have the capability to generate sales verification letters on the computer, but reportedly does not do so due to budget constraints. Historically, Douglas County has experienced an active real estate market that supplies an abundance of comparable sales data. With the large quantity of data available, central tendencies within specific segments of the market can be identified. The division does, however, feel that a sales verification letter could be used in a cost effective manner for certain areas of the county where sales data is more limited, or the data cannot be verified by other means.

Sales Database: Sales data received from the recorder's office is input into a database program on the county's mainframe computer. Sales data is also input and updated in a sales data bank in a personal computer in the assessor's office. The mainframe computer gives the assessor's staff the ability to quickly access information in the real property and personal property records. The assessor may also generate a variety of other helpful reports on the mainframe system such as sales data reports, coded assessment rolls, building permit lists, etc.

Vacant Land (excluding agricultural property): Fifteen vacant land parcels were sampled in this study and all were found to be within ratio parameters. It is apparent that the assessor's staff is doing a thorough job in their valuation of vacant land. The division's sample resulted in a median ratio of 34.2 percent, and a coefficient of dispersion of 2.9 percent, which are within statute limits.

Subdivision Analysis: The county staff is doing an excellent job analyzing qualified subdivisions. The assessor spends a considerable amount of time in identifying and gathering appropriate information from subdivision owners. After this information is compiled, the assessor and her staff calculate and apply the appropriate land values as directed by NAC 361.129. All subdivisions analyzed by the division were in complete compliance. Twenty-five subdivisions were analyzed for the 1998-99-tax roll.

Single-family Residential Land: Fifty-three improved single-family residential land parcels were sampled in this study and all were found to be within ratio parameters. This sample resulted in a median ratio of 35 percent and a coefficient of dispersion well within prescribed limits.

Multi-family Residential Land: Eleven improved multi-family residential land parcels were sampled in this study and all were within ratio parameters. This sample revealed a median ratio of 35.7 percent and a coefficient of dispersion of 0.9 percent.

Commercial and Industrial Land: Fifteen improved commercial/industrial land parcels were sampled in this study and all were found to be within ratio parameters. This sample resulted in a median ratio of 33.3 percent and a coefficient of dispersion of 2.0 percent.

Factors: Several parcels were reviewed and it was found that the assessor did correctly apply the approved land factors.

Single-family Residential Improvements: Fifty-three improved single-family properties were sampled in this study. The assessor's staff is measuring and classifying the improvements correctly with the exception of a few minor errors. The incorrect valuation of minor improvements was the biggest problem encountered in this category. Our inspections repeatedly found differences in the number of minor improvements found as opposed to those inventoried by the assessor's staff. There were nine outliers in this category. Eight of these are improved with mobile homes, which included minor improvements, which were not valued. The remaining outlier was the result of an incorrect measurement of a residence. This sample resulted in a median ratio of 33.8 percent and a coefficient of dispersion of 7.3 percent, which are well within ratio parameters.

Multi-family Residential Improvements: Eleven improved multi-family residential properties were sampled in this study, and all were found to be within ratio parameters. The assessor's staff is measuring and classifying this type of improvement correctly. This sample produced a median ratio of 34.3 percent and a coefficient of dispersion of 1.8 percent.

Commercial and Industrial Improvements: Fifteen improved commercial/industrial properties were sampled in this study. Two of the properties were found to be outside of the ratio parameter guidelines. One of the outliers was the result of the assessor not valuing some of the minor improvements on the property. The other was a combination of an incorrect climate code adjustment, and an incorrect costing date. Even with these errors, this sample resulted in a median ratio of 33.9 percent and a coefficient of dispersion of 3.2 percent, which are well within designated ratio parameters.

(1) Minor Improvements: 2

Analysis: The division consistently found differences in the number of minor improvements observed from those valued by the assessor's staff. Of the eleven outliers discovered in this study, nine involved residential properties and two involved commercial uses. Ten of the eleven outliers were the result of minor improvements not being valued. In addition, in at least eight samples where the assessor used a lump sum value for minor improvements, the division's estimate of the value of these improvements was higher. Although there were differences in value noted, none of these eight properties resulted in outliers.

Recommendations: A more complete inventory of the miscellaneous improvements by the assessor's staff is recommended. Any new improvements discovered should be measured and added to the appraisal record. The assessor should also review the validity of the lump sum values used for minor improvements.

New Construction Valuation: Several parcels having new construction were selected for review. All improvements were found to be correctly valued and depreciated.

Agricultural Land: Seven agricultural land parcels were sampled in this study and all were found to be within statute guidelines. All of the parcels were classified correctly, and the correct agricultural bulletin was utilized.

Agricultural Land Records: The land records were correctly updated with the current appraisals.

Agricultural Land Classification Maps: The assessor does maintain a separate set of parcel maps devoted specifically to agricultural land uses. These maps have been updated as required to reflect the current land uses based on the findings of the reappraisal.

Agricultural Bulletin Use: The results of our survey shows that the assessor correctly utilized the information contained in Agricultural Bulletin 181.

Residential Homesite Valuation: The assessor is placing a separate value on the residential portion of the agricultural parcels as required by NRS 361A.140.

Agricultural Improvements: All of the improvements on the agricultural parcels were valued correctly using figures derived from the Marshall and Swift cost service and the Assessor's Handbook of Rural Building Costs.

Deferred Taxes: A review of the procedures utilized by the assessor in calculating and collecting deferred taxes indicates that the proper methodology is being applied.

Higher Use: Changes of agriculturally classified parcels to a higher use, and the definition of these areas on qualifying parcels are properly addressed, and valued correctly by the assessor.

Agricultural Land Conversion: The assessor listed thirty-one parcels with a total of 855.9 acres which were converted from agricultural use to residential or commercial/industrial uses during the 1997 calendar year. In all of the cases reviewed, the assessor's calculation of deferred taxes was correct.

Assessment Maps: The assessor is in the process of changing the mapping system to a Geographic Information System (GIS). All new maps are being created on the GIS system. The assessor plans to have the entire county on the GIS system by 1999. Several of the new maps created on the GIS system were reviewed, and were found to be accurate and concise.

Prescribed Parceling System: The assessor does use the prescribed parceling system. Summary or referral parcels are not used in Douglas County.

PERSONAL PROPERTY

Discovery: The discovery of personal property within Douglas County is well managed. The assessor's staff has been very diligent in discovering new businesses and mobile homes in all areas of the county. Regular field inspections throughout the county have insured that the personal property involved in the operation of businesses and ranches has been accounted for, and that all new mobile homes and aircraft have been valued and added to the roll.

Record-keeping: The filing system utilized by the assessor's office is well organized and maintained. Business and ranch declarations are filed alphabetically while mobile homes are filed by account number (unsecured) and by parcel number (secured). Aircraft are tracked by a tail number index. Individual file

folders are used for each business, ranch, mobile home and aircraft. Business folders contain both current and prior year declarations along with other asset listings and pertinent information. Mobile home folders contain Dealer's Report of Sale and other original value documentation. In addition, information concerning real property improvements located on sites with unsecured mobile homes has been included in the mobile home files. It is recommended that the unnecessary documentation contained in these files be purged.

Business/Agricultural Property: Douglas County has experienced a large increase in new businesses since the last ratio study was conducted. The figure supplied by the assessor lists an increase of approximately 700 accounts. As reported in previous ratio studies, the assessor has done an excellent job of tracking and valuing the personal property in Douglas County.

The division conducted a larger than usual sample of commercial properties this year. This included at least one business from the over 100 business types established by Douglas County. The number of errors discovered was very low in relation to the number of properties studied.

The assessor's staff conducts selective audits on businesses to verify that the personal property listed on the declarations is accurate. This procedure targets businesses that fail to file a declaration in two consecutive years. In addition, an estimated increase in assessment of 20 percent per year is added to the accounts that do not file.

Douglas County continues to be one of the few counties in which a personal property policies and procedures manual is maintained. Updated on a yearly basis, this is an invaluable tool for training new staff and standardizing procedures.

One minor problem found is the incorrect assignment of class lives to property. The errors discovered involved a limited number of similar items, which were found to be incorrect in several of the samples.

Mobile Homes: An almost perfect ratio was achieved in this property category. It was reported that one staff member specializes in this area of personal property valuation. As mentioned in a prior section of this report, mobile home account files do contain Dealer's Report of Sale (DRS) information and other pertinent data. Unsecured mobile home account files also include the assessed value of on-site real property improvements. These items are updated every five years during the normal reappraisal cycle.

A few errors were discovered in this category. The most common error was the incorrect use of the sale date instead of the date of manufacture for the beginning date of the depreciation calculation. Several samples were found to be out of ratio study parameters due to this mistake. On an overall basis, this category was considered to be satisfactory.

Billboards: Although the county has an ordinance prohibiting billboards, a few do exist on Federal Indian Land located along the alignment of U. S. Highway 395. At the time of this review, there were only three accounts in this property category. All three accounts were examined and no errors were found. This resulted in an ideal ratio of 35 percent.

Aircraft: The assessor's office reports approximately 150 aircraft in Douglas County at the present time. Approximately 30 percent of these accounts were sampled and reviewed by the division this year. Only one record was found to be in error. This property category is generally being valued and assessed correctly.

Migratory Property: The division's review indicated that Douglas County is appraising and assessing migratory mobile homes correctly, and are in compliance with the Nevada Revised Statutes. Mobile homes, which arrive in the county after the July 1st lien date, are added to the system and then taxed on the following year's tax roll. All other migratory property is also being valued correctly.

Billing/Collection (penalties applied, seizure and sale): Douglas County does an excellent job in both billing and collection. All appropriate penalties and late fees are applied to delinquent accounts and collected from the taxpayer. No mobile home has been seized in Douglas County in the past ten years. There were, however, over 20 intent-to-seize letters mailed to mobile home owners this past year. The county commissioners did write several mobile homes off of the books after they determined that they had no value.

The small number of delinquent personal property accounts supports the division's conclusion that the assessor and her staff are very diligent in billing and assisting the treasurer in the collection of taxes.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: There are two areas of Douglas County where possessory interest real properties are located. One is the Heavenly Valley Ski Resort where both the land and improvements are valued. The other area is the Douglas County Airport, where only the improvements are valued.

Possessory Interest Valuation - Personal Property: There are no personal property possessory interests in Douglas County.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated.

(2) Cost Manuals and Systems: 2

Analysis: The assessor uses the Marshall and Swift computer cost estimator program to value the majority of the major improvements. The estimator updates are loaded into the computer once each year at the beginning of the work year. The September 1996 update is being used for residential property, which is correct. The October 1996 update is being used for commercial property, however, the assessor has been incorrectly trending the cost figures back to September. The assessor does have several copies of the Assessor's Handbook of Rural Building Costs, three copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial cost manuals. All of the manuals have been correctly updated. One problem, which did exist during the last ratio study and still exists today, is the incorrect use of the climate code for commercial property. During this appraisal year an extreme

climate adjustment was incorrectly used for all commercial property. All of the residential property studied was correctly coded with a moderate climate adjustment.

Recommendation: The assessor should use the October update for commercial property without trending back to the September cost date. The assessor should use an extreme climate adjustment in the Tahoe area only, and a moderate climate adjustment in the remainder of the county.

Appraisal Records: The information in the files is complete, correct and up to date. Each property record folder does contain the most recent Marshall and Swift data entry form and computer printout as well as several older data entry forms and computer printouts. The files also contain a recent picture of the improvements, building permits, correspondence, appeal documents pertaining to the property, and a new construction breakdown sheet for those parcels having new construction. The old data entry sheets and computer printouts are used for comparison purposes. The majority of the information contained in the files is necessary to explain and defend the appraisals.

Filing System: The assessor's real property record files are organized in parcel number order and are color coded to prevent any misfiling of property records. This system is well designed and is easy to use.

Reports: The numerous reports required of the assessor were completed correctly and delivered on time.

Appeal Preparation and Presentation: For this tax year there was a total of sixty appeals to the Douglas County Board of Equalization. The assessor's staff was well prepared and very professional in their presentation of Douglas County's position at the board of equalization hearings.

Reopened Roll Log: The roll log is required by NRS 361.210 to be received by the division on or before October 31, 1997. The roll log submitted by Douglas County was received on July 25, 1997, and was completed correctly.

Obsolescence: The assessor maintains a data bank listing of sales of improved and vacant properties within the county. The assessor's taxable values for these properties are then compared to their sales prices, and a ratio of taxable value to sales price is calculated for each property. Properties with a taxable value that exceeds their sales price can then be identified. Rarely does taxable value exceed full cash value in Douglas County since property values have been steadily appreciating over the past several years. There are no properties within Douglas County that were determined by the assessor to require any adjustment for obsolescence.

New Construction: The assessor checks the computer files from the county public works department for new construction permits. New permits are then organized by area, and the improvements are inspected and valued between the months of February and June of each year. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the roll log. A review of several properties with new construction revealed that the improvements are being correctly measured and valued by the assessor's staff.

Land Use and Exemption Codes: A review of the assessment roll revealed that the assessor is correctly applying the land use and exemption codes.

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this year's cycle, Books 25 and 31 through 39, which include the towns of Gardnerville and Minden, the Pinenut region, Topaz and Topaz Ranch Estates, were reappraised. This area represents approximately 22 percent of the county. The 1996 reappraisal included Books 11, 40, 41, 42, and a portion of Book 7 and Book 23. These books involve the easterly side of the valley from Johnson Lane south to Minden, and a portion of the Kingsbury area, which represent approximately 18 percent of the total county. In 1995 approximately 13 percent of the county was reappraised. This included the Lake Tahoe area from the Carson City line to Stateline along both sides of Highway 50, and the Stateline casinos. The 1994 reappraisal covered Books 13 through 21, which include the north end of the Carson Valley, Johnson Lane, Jack's Valley, Genoa, and the properties located to the west of Highway 88, south to the California State line. These areas represent approximately 23 percent of the county. The 1998 reappraisal plan includes Books 27 and 29, which include the Gardnerville Ranchos and Ruhenstroth area. The existing reappraisal cycle appears to work well for the assessor, does conform to statute requirements, and is manageable with the available personnel.

Improvement Factoring: The assessor uses a composite improvement factor that includes an additional year of depreciation. This results in those improvements that are 50 years old and older receiving depreciation beyond the 75 percent maximum. This is being corrected on reappraisal.

Appraiser Certification: The division has certified the assessor and five real property appraisers to appraise for ad valorem tax purposes. In addition, the division has certified five members of the assessor's staff in the valuation of personal property.

Appraiser Training Requirements: All of the Douglas County staff appraisers are presently in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 1998.

**ESMERALDA COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.2	34.0	2.2%	8
IMPROVEMENTS	34.9	34.5	3.1%	8
IMPROVED LAND	35.0	33.6	2.9%	8
VACANT	0.0	0.0	0.0%	0
SFR IMPROVEMENTS	0.0	0.0	0.0%	0
SFR LAND	0.0	0.0	0.0%	0
SFR TOTAL	0.0	0.0	0.0%	0
MULTI IMPROVEMENTS	0.0	0.0	0.0%	0
MULTI LAND	0.0	0.0	0.0%	0
MULTI TOTAL	0.0	0.0	0.0%	0
COMM & INDUSTRIAL IMPROVEMENTS	0.0	0.0	0.0%	0
COMM & INDUSTRIAL LAND	0.0	0.0	0.0%	0
COMM & INDUSTRIAL TOTAL	0.0	0.0	0.0%	0
RURAL IMPROVEMENTS	34.9	34.5	3.1%	8
RURAL LAND	35.0	33.6	2.9%	8
RURAL TOTAL	34.2	34.0	2.2%	8
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.8	2.37%	42
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	0.81%	6
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	3.36%	6
MOBILE HOMES	35.0	34.6	2.48%	30
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.4	2.67%	76
AIRCRAFT	35.2	35.2	1.20%	4
AGRICULTURAL	35.0	35.0	0.15%	3
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.0	4.66%	10
MOBILE HOMES	35.0	34.3	2.53%	59
TOTAL PERSONAL PROPERTY	35.0	34.5	2.56%	118

ESMERALDA COUNTY
1998-99 RATIO STUDY

Esmeralda County's economy continues to be depressed with very little growth in the county. The reappraisal area includes only the 41 agricultural parcels in Fish Lake Valley. The study sample includes 8 agricultural parcels (19.5%).

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis (1)	2
Single-family Residential Land	N/A
Multi-family Residential Land	N/A
Commercial and Industrial Land	N/A
Factors	3
Single-family Residential Improvements	N/A
Multi-family Residential Improvements	N/A
Commercial and Industrial Improvements	N/A
Minor Improvements	3
New Construction Valuation	3
Agricultural Land	3
Agricultural Land Records	3
Agricultural Land Classification Maps	3
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3
Assessment Maps (2)	2
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeals Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The assessor collects deeds and declarations of value from the recorder's office. Copies are made and filed in binders according to parcel number and area. These documents are the basis for the assessor's sales data bank.

Sales Verification: Sales verification is accomplished primarily through deed information. The assessor was sending sales questionnaires to both buyer and seller of questionable sales. This practice was discontinued because of poor response. Due to the small size of the county, the assessor is aware of most sales activity and is able to verify most sales through personal contact.

Sales Database: The assessor processes the sales data manually from parcel maps and deeds. Data is stored in binders in parcel number order by area. The office computer is not programmed for sales data.

Vacant Land (excluding agricultural property): There are no nonagricultural vacant land parcels in the reappraisal area.

(1) Subdivision Analysis: 2

Analysis: For the 1998-99 tax year the assessor reviewed two subdivisions that qualified for analysis. A review of the assessor's methods and resulting land values showed the assessor's analysis is correct. However, NRS 361.227 (2) (b) directs assessors to value all qualified subdivisions by using the appraisal methods set out in NAC 361.229 and NAC 361.1295. Other subdivisions in Esmeralda County may have qualified for subdivision analysis but are not currently valued as such.

Recommendation: Gather subdivision data from owners and developers. Determine if a particular ownership qualifies for analysis and record the results.

Single-family Residential Land: There are no single-family residential land parcels in the reappraisal area.

Multi-family Residential Land: There are no multi-family residential land parcels in the reappraisal area.

Commercial and Industrial Land: There are no commercial/industrial land parcels in the reappraisal area.

Factors: The assessor has a good knowledge of the factoring method. Several parcels in the factored area were reviewed. It was found that the assessor correctly applied the land factors.

Single-family Residential Improvements: There are no improved single-family residential parcels in the reappraisal area.

Multi-family Residential Improvements: There are no improved multi-family residential parcels in the reappraisal area.

Commercial and Industrial Improvements: There are no improved commercial/industrial parcels in the reappraisal area.

Minor Improvements: The ratio study sample shows that the assessor measures and correctly values minor improvements.

New Construction Valuation: Several parcels having new construction were selected for review. It was found that the assessor correctly values and depreciates the new improvements.

Agricultural Land: Agricultural land was correctly valued by the assessor using the proper classification for various crop types and the productivity of each parcel.

Agricultural Land Records: The agricultural land records are accurate and updated using the proper agricultural land bulletin.

Agricultural Land Classification Maps: The assessor prepared new scale maps of each parcel for the reappraisal this year. The new maps were utilized in the field appraisal of each parcel and completed to reflect the actual growth or forage potential of each parcel.

Agricultural Bulletin Use: Agricultural Bulletin 181 was correctly used by the assessor to value the land.

Residential Homesite Valuation: The assessor identified and correctly valued the residential homesites on the agricultural parcels as required by NRS 361A.140.

Agricultural Improvements: The assessor correctly valued the agricultural improvements in the reappraisal area using Marshall and Swift costs and the Assessor's Handbook of Rural Building Costs.

Deferred Taxes: A review of the assessor's procedures in calculating and collecting deferred taxes shows that proper methods are being used. However, there have been no recent conversions to higher use.

Higher Use: There are no higher use parcels in Esmeralda County.

Agricultural Land Conversions: There have been no conversions in recent years.

(2) Assessment Maps: 2

Analysis: Many of the assessor's maps are not accurately drawn and have been updated manually using a pencil. These maps are in need of professional updating.

Recommendation: The assessor must take whatever steps necessary to ensure that parcel maps are accurate, are updated professionally and in a timely manner. The assessor is in the process of contracting with the Nye County Planning Department to update the Esmeralda County maps.

Prescribed Parceling Systems: The assessor uses the prescribed parceling system. Summary or referral parcels are not used in Esmeralda County.

PERSONAL PROPERTY

Discovery: Esmeralda County requires business licenses for all areas of the county. Business licenses are the assessor's primary method of discovering new business personal property. In addition, the staff conducts periodic inspections of the county in an effort to find other new businesses and mobile homes.

Because of the small number of businesses, the small geographical area of the county, and the assessor's diligence, the division believes that the discovery process is working well.

Record-keeping: Esmeralda County's record-keeping system and files are excellent. They are clean, neat and free from old, outdated material. Mobile home records are filed in individual folders with the Dealer's Report of Sale and original value documentation inside. Business and ranch declarations are filed in individual folders with present and past years declarations enclosed. All pertinent information is readily available and easily located within the filing system.

Business/Agricultural Property: The overall operation in these two categories is most satisfactory. The only problem found was the method used in rounding final values. The assessor's computer rounds to the nearest ten dollars while the division rounds to the nearest dollar. This is thought to be an insignificant problem.

In the last ratio study the assessor did not apply an estimated assessment to any accounts. The division recommended that this policy be reviewed. The assessor now applies an estimated assessment to those accounts where no declarations are filed. This is a much needed improvement and is approved of by the division.

Mobile Homes: The staff is doing excellent work in this property category. No major errors or mistakes were found. The few outliers in this category came from older mobile homes that were incorrectly valued when first entered into the system. These are corrected when discovered and as time permits. The assessor has correctly set up separate accounts for assessment of real property items associated with unsecured mobile homes.

Billboards: There are no billboard accounts in Esmeralda County at this time. However, the county staff is knowledgeable in the correct procedures for valuing and depreciating billboards.

Aircraft: Only five aircraft exist in the county at present. Four were reviewed and found to be correctly valued.

Migratory Property: All migratory properties are being properly valued. All mobile homes (except for office mobiles) are considered non-migratory and are assessed on the correct tax roll.

Billing/Collection (penalties applied, seizure and sale): All appropriate penalties and interest are placed on delinquent accounts. During the past year no seizures of mobile homes were made, however, one intent-to-seize letter was mailed to the delinquent taxpayer. The property was posted for sale but the taxes were paid prior to the sale being conducted. Records indicate that only a few businesses or mobile homes are past due more than one year.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: There is no real property possessory interest in Esmeralda County.

Possessory Interest Valuation - Personal Property: There is no personal property possessory interest in Esmeralda County.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated.

Cost Manuals and Systems: The assessor normally uses the Marshall and Swift computer estimator program to value most major improvements. However, this year the assessor's computer was down for the year, so the Marshall and Swift on-line valuing system was used. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial cost manuals. All of the manuals have been correctly updated.

Appraisal Records: The information in the real property record files is correct, complete and up to date. Each property record file contains a drawing and picture of the improvements, a Marshall and Swift data entry form and printout, and a miscellaneous building sheet. In addition, some information from the previous appraisal may be included for comparison purposes. Only the information needed to identify the property and defend the appraisal is included.

Filing System: The assessor's real property record files are organized in parcel number order. This system allows for easy retrieval and is efficient to use.

Reports: All of the many reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentation: For this tax year there were no appeals to the Esmeralda County Board of Equalization.

Reopened Roll Log: The roll log required by NRS 361.3104 to be received by the division on or before October 31, 1997, was received on June 19, 1997. This report was correctly completed.

Obsolescence: The assessor has applied obsolescence to twenty-nine properties in Esmeralda County. All were the result of sale prices lower than taxable value. The data on each parcel is complete and the division agrees with the assessor's conclusion.

New Construction: The assessor must travel throughout the populated areas of the county each year to discover new improvements. This is because the county lacks a building permit system. Generally, the assessor will make these surveys twice each year. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the reopened roll log. Several parcels with new construction were reviewed and were found to be correctly valued and depreciated.

Land Use and Exemption Codes: The assessor correctly uses and applies the land use and exemption codes.

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this ratio study the agricultural parcels in Fish Lake Valley were reappraised. This area represents one percent of the county total. In 1996, all of Fish Lake Valley except the agricultural parcels was appraised. This area represents 23 percent of the county. In 1995, the Town of Goldfield was appraised. This area represents 51 percent of the county. In 1994, Book 3 and the General County, which includes 369 patented mining claims and represents 19 percent of the county, was appraised. In 1998, the Towns of Lida and Silver Peak will be reappraised. Because the county is so small, the assessor easily completes the reappraisal each year.

Improvement Factoring: The assessor uses a composite improvement factor that includes an additional year of depreciation. This in turn incorrectly depreciates those improvements that are 50 plus years old beyond the 75 percent maximum depreciation. This is corrected on reappraisal.

Appraiser Certification: The assessor is the only certified real property appraiser. Two staff members are working on their certification and presently have temporary certificates.

Appraiser Training Requirements: The assessor is in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 2003.

HUMBOLDT COUNTY 1998-99 RATIO STUDY

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.6	35.4	31.6%	50
IMPROVEMENTS	34.2	33.8	4.1%	40
IMPROVED LAND	35.0	37.9	47.9%	40
VACANT	34.8	34.4	2.2%	10
SFR IMPROVEMENTS	34.2	33.8	3.9%	24
SFR LAND	34.8	33.4	4.6%	24
SFR TOTAL	34.1	33.7	3.8%	24
MULTI IMPROVEMENTS	32.5	33.0	3.0%	3
MULTI LAND	35.0	35.4	0.9%	3
MULTI TOTAL	33.1	33.4	2.2%	3
COMM & INDUSTRIAL IMPROVEMENTS	33.3	33.8	3.9%	4
COMM & INDUSTRIAL LAND	34.7	34.1	1.9%	4
COMM & INDUSTRIAL TOTAL	33.7	33.9	3.2%	4
RURAL IMPROVEMENTS	35.0	34.4	3.2%	9
RURAL LAND	35.5	41.0	195.8%	9
RURAL TOTAL	35.5	38.9	153.8%	9
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.8	1.56%	64
AIRCRAFT	34.7	35.0	0.29%	3
AGRICULTURAL	35.0	35.0	0.19%	15
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.2	2.59%	15
MOBILE HOMES	35.0	34.6	1.77%	31
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.9	5.09%	119
AIRCRAFT	35.0	35.0	0.53%	8
AGRICULTURAL	35.0	35.0	0.09%	8
BILLBOARDS	35.0	35.0	0.15%	6
COMMERCIAL-INDUSTRIAL	35.0	34.8	7.35%	31
MOBILE HOMES	35.0	34.9	5.62%	66
TOTAL PERSONAL PROPERTY	35.0	34.9	3.86%	183

HUMBOLDT COUNTY
1998-99 RATIO STUDY

Humboldt County's reappraisal area includes Paradise Valley, Orovada, Kings River, Davey Town and McDermitt. The reappraisal area includes approximately 3,103 parcels, of which 710 are agricultural parcels located in a rural northwest portion of the county. These areas include all of Map Books 3 and 4, and portions of Books 2, 5 and 6. The ratio study sample consists of 24 single-family residential (4.5 %), 3 multi-family residential (0.9%), 4 commercial/industrial (7.4%), 10 vacant (4.9%) and 9 (1.8%) agricultural parcels. Many of the properties reviewed involved mobile homes in subdivisions with power, some paved access roads, wells and septic systems.

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements	3
New Construction Valuation	3
Agricultural Land (1)	2
Agricultural Land Records	3
Agricultural Land Classification Maps (2)	1
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation – Personal Property	N/A
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeals Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The county recorder supplies copies of deeds and declarations of value to the assessor who files them by date of sale. These documents are the basis for the assessor's sales data bank. The data bank is supplemented by information from brokers and grantors/grantees. A spot check of the county recorder's records did not reveal any errors in the assessor's sales data information.

Sales Verification: Sales verification is accomplished primarily by declarations of value, however, approximately 152 real estate sales questionnaires were mailed to grantees. The return rate was reported to be approximately 64 percent. A questionnaire is mailed to the grantee when the information from other sources is inadequate or conflicting. Key sales used to establish land values are often verified with brokers and/or the grantor/grantee if there is a conflict in the data, or if the validity of the sale is questionable.

Sales Database: The assessor has continued to improve the computer sales data bank. The listing now includes both the grantor and grantee. In some cases in the past, the same name was listed for both parties. In the current data bank, the accuracy of the parcel sizes has been improved, and more useful information is included in the remarks. The old manually updated Humboldt County sales list has been discontinued.

Vacant Land (excluding agricultural property): Ten vacant parcels were selected for review in this property classification. All but one was within ratio parameters. The one outlier was due to a slight difference in the sales used. The assessor is using the best information available to assure the accurate valuation of properties in areas where there is limited sales data available. In a few instances, a factor based on the growth rate derived from sales/re-sales in similar areas was utilized. Abstraction was also used in a few instances where there were insufficient vacant land sales. This sample resulted in a median ratio of 34.8 percent and a coefficient of dispersion of 2.2 percent.

Subdivision Analysis: The assessor has reviewed all qualified subdivisions in the county. For the 1998-99 tax year there are fourteen subdivisions that qualified for analysis. A review of the assessor's methods and resulting land values showed that the assessor is correctly analyzing this property classification.

Single-family Residential Land: Twenty-four improved single-family residential land parcels were sampled in this study. All but two were within statute limitations. The one outlier was due to a difference in the methodology used by the division and the assessor. No problems were discovered in the assessor's valuation of vacant residential parcels located in remote areas with few or no sales. An adequate number of vacant land sales were available in most of the suburban subdivisions. The division did adjust the comparable sales for size, and also for time, when the sales data indicated an appreciation in value. This sample resulted in a median ratio of 34.8 percent and a coefficient of dispersion of 4.6 percent.

Multi-family Residential Land: There were no true multi-residential properties in the 1997 reappraisal area. All of the multi-family properties included in the study were residential sites with two or more single-family dwellings, or attached mobile homes. All of the properties in this category had acceptable ratios.

Commercial and Industrial Land: Four improved commercial/industrial land parcels were sampled in this study; all were within ratio parameters. There were few vacant commercial/industrial sales in the reappraisal area, which necessitated the use of high-end residential sales as comparables. This sample resulted in a median ratio of 34.7 percent and a coefficient of dispersion of 1.9 percent.

Factors: The division compared the 1997-98 tax roll to the 1998-99 tax roll and found that the land factors had been correctly applied.

Single-family Residential Improvements: Twenty-four improved single-family residential properties were sampled in this study. All but one of the samples was within ratio parameters. Factors that contributed to improvement outlier included the large lump sums used for site improvements, differences in classifications, primarily on mobile home conversions, and the use of an incorrect local multiplier.

Multi-family Residential Improvements: There were no true multi-family residential properties included in the 1997 reappraisal. All of the properties studied involved residential sites with two or more single-family dwellings, or attached mobile homes. All of the improvements in this category showed acceptable ratios.

Commercial and Industrial Improvements: Four improved commercial/industrial properties were sampled for this study. All but one sample was within ratio parameters. The one outlier was due to a difference in the classification used. The sample resulted in a median ratio of 33.3 percent and a coefficient of dispersion of 3.9 percent.

Minor Improvements: The assessor is using a lump sum method to value minor improvements. This system appears to work well with one or two exceptions. Minor improvements in mobile home parks or on leased parcels are being assessed on the supplemental roll; however, it is difficult to determine which items are included in the lump sums due to inadequate documentation by the assessor.

New Construction Valuation: Several parcels having new construction were selected for review. It was found the assessor correctly values and depreciates the new improvements.

(1) Agricultural Land: 2

Analysis: Nine agricultural land parcels were included in this study. Three were incorrectly valued. The assessor is relying on declarations from ranchers and farmers to determine the land classifications on each parcel. In two instances, the agricultural land use classification did not correspond with the present use. One parcel, which had a declaration stating it was 1st class cultivation, was in fact found to include a small area of 3rd and 4th class cultivation, with the balance unirrigated grazing land. Another parcel with a declaration stating it was pasture land was found to be 2nd, 3rd, and 4th class grazing land located in a canyon.

The assessor has completed the transition from the use of summary parcels to the use of individual parcel numbers and separate land values.

Recommendation: Each agricultural property must be physically inspected to determine its current use, and to verify the information contained in owner's declaration. A land map must be prepared and updated to reflect the results of the appraisal.

Agricultural Land Records: The assessor does maintain land records for each agricultural parcel, and these records do accurately represent the ranchers declared land use classifications.

(2) Agricultural Land Classification Maps: 1

Analysis: The assessor does not use land classification maps other than a note on the parcel map as to the general classifications of property. This problem was reported in the 1994-95 and 1996-97 ratio studies, however, the situation has not been corrected.

Recommendation: Land classification maps should be incorporated into the agricultural land valuation program. These maps should be used to delineate the productivity of each agricultural land parcel. Many agricultural parcels do have the potential to develop a variety of cultivation and forage alternatives. The specific areas of use should be drawn on scaled maps to ensure accurate classifications. A classification change on a portion of a parcel can greatly affect the overall assessed value of the property. The assessor may use parcel maps to classify land; however, the parcel map size and scale must be large enough to accurately delineate and calculate the areas of various classifications. For additional information, refer to the Manual of Assessment Policies and Procedures, Section 2, Topic 3a, Pages 3-4.

The use of accurate classification maps does simplify the review process during a reappraisal, and also makes it easier to explain the value to the taxpayer. In addition, when a property's productivity level changes, the required adjustment can be easily identified.

Agricultural Bulletin Use: The assessor is correctly applying the values from the current agricultural bulletin.

Residential Homesite Valuation: The assessor is correctly identifying and valuing the residential homesite areas on agricultural properties in equalization with nonagricultural parcels, as required by NRS 361.140.

Agricultural Improvements: The assessor has correctly appraised the agricultural improvements utilizing the Marshall and Swift Residential Cost Handbook and the Assessor's Handbook of Rural Building Costs. Only small differences in minor improvements and in quality classes were discovered.

Deferred Taxes: A review of the assessor's procedures in calculating and collecting deferred taxes revealed that the proper methods are being utilized.

Higher Use: Any changes to a higher use for agricultural properties, and areas of higher use on qualifying parcels have been properly identified and valued by the assessor.

Agricultural Land Conversion: The assessor identified three parcels with a total of 729.16 acres which were converted from agricultural to residential or commercial/industrial use during 1997. A review of the assessor's calculation of deferred taxes on these properties showed that they were correct.

Assessment Maps: The assessor has one employee who is responsible for maintaining the parcel maps. The maps appear to be well maintained and are well organized.

Prescribed Parceling System: The assessor does use the prescribed parceling system. Referral parcel numbers are no longer being used in Humboldt County. In some instances, however, summary parcels are used for the convenience of the taxpayer, so that they only receive one tax bill. The assessor has correctly maintained individual values for each parcel that is associated with a summary parcel.

PERSONAL PROPERTY

Discovery: The personal property discovery process in Humboldt County continues to be well managed. Business license requirements are used to flag and locate new commercial operations. The county building department also requires building permits for mobile home hook-ups, and these permits are used to notify the assessor of new improvements. FAA aircraft lists are used to locate aircraft within the county. The assessor's staff is using field inspections and the Department of Transportation highway sign lists to locate and value the numerous billboards in the county.

Record-keeping: The assessor's files are adequate and manageable. Business declarations are filed alphabetically with individual file folders for each ranch and business. The folders do contain a lot of prior year's declarations that are not necessary. Removing the outdated material from the files would eliminate much of the clutter and improve efficiency. Mobile home files have continued to improve since the last ratio study. The staff has completed the change to an individual file folder system and plans to reorganize them by account number. This procedure should improve efficiency.

Agricultural/Business Property: These two categories have continued to improve. The types of errors and the frequency of these mistakes have decreased considerably. The assessor's staff has reduced the number of outliers in this category by approximately 50 percent since the previous ratio study.

Some minor problems do continue to exist in these property categories. It is the division's feeling that the assessor is not aggressive enough when dealing with the approximate 15 percent of the taxpayers that do not file a declaration of value. Several of the declarations on file are 10 to 15 years old. In some cases, estimated assessments have been made, but no definite policy guidelines have been established.

Some class life errors were also found, but considering the large sample size, they were within acceptable limits.

Mobile Homes: This category of personal property is well managed, and a new staff member has recently been assigned to this property classification.

A large representative sample was taken for this category. The overall ratio was good with a variety of small errors being discovered. Included were some of the following:

- (1) Incorrect original values for older mobile homes.
- (2) Accessory items not being included in the valuation.
- (3) Incorrect year of manufacture used.

Most of these errors occurred with mobile homes that have been in the system for several years. Nearly all of mobile homes added in the recent past were valued correctly.

Real property improvements associated with unsecured mobile homes is another area of concern. These items should be valued like other real property items and added to the mobile home account every year.

Billboards: Humboldt County does have a significant number of billboards on the roll. The assessor's staff has done a good job in locating and valuing this type of property. The division did examine the majority of the billboard accounts and found no errors. This resulted in a perfect ratio for this category.

Aircraft: A large sample of aircraft within Humboldt County was examined and found to be correct. Declarations received from aircraft owners are maintained by the county and updated annually. The division did not find any errors in this property category, resulting in a perfect ratio of 35 percent.

Migratory Property: Humboldt County is handling migratory property mobile homes correctly. The entire class of mobile homes is not considered to be migratory. Mobile homes brought into the county after the July 1st lien date are added to the tax roll the following year. These mobiles are put in the system and kept inactive until the following year when they are taxed. The assessor is assigning and valuing all other migratory property correctly.

Billing/Collection (penalties applied, seizure and sale): The county has adopted a very aggressive approach to billing and collection. The appropriate penalties are added to delinquent accounts by the computer system, and in most cases, are collected from the taxpayer. No seizure of a mobile home has occurred, however, 300 letters of intent-to-seize were mailed to delinquent taxpayers during the past year. An examination of the county's delinquency report showed that only a small amount of business property was past due, and that no mobile homes were more than a year past due.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The assessor is now correctly valuing possessory interest property in Humboldt County. The only possessory interests valued by the county assessor are the cabins at Hinkey Summit, which are on U. S. Forest Service land, and the hangers at the county airport. The assessments at Hinkey Summit now include both land and improvement values. Only the improvements are valued for the possessory interests at the county airport.

Possessory Interest Valuation - Personal Property: There is no possessory interest personal property in Humboldt County.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both of these publications have been correctly updated.

Cost Manuals and Systems: The assessor does use the Marshall and Swift computer estimator program in the valuation of most major improvements. The estimator updates are loaded into the computer each year at the beginning of the work year. The October 1996 update is used for the commercial property and the September 1996 update is used for the residential property. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial Cost Manuals. All of the manuals have been correctly updated. The assessor's miscellaneous building program, which is based on the Marshall and Swift Cost Manuals and the Assessor's Handbook of Rural Building Costs, is used to value most minor and agricultural improvements.

Appraisal Records: The information in the files is complete, accurate and up to date. The files do include a photograph of the improvements and a building sketch. The assessor's staff is taking new pictures and updating the drawings as needed. Marshall and Swift data entry sheets, printouts and miscellaneous building sheets are also included in the file. In addition, some information from the previous appraisals may be included for comparison purposes. Only the information needed to identify the property and defend the appraisal should be included in the file.

Filing System: The assessor's real property files are organized in parcel number order, with a separate file for commercial/industrial properties. This system allows for easy retrieval and is efficient to use.

Reports: Nearly all of the reports required of the assessor were correctly completed and delivered on time. The land factors were, however, not received until September 3, 1997. Although there is no statutory deadline for submission of the land factors, the Manual of Assessment Policies and Procedures does recommend May 1st as the optimum date.

Appeals Preparation and Presentations: There were only four appeals to the Humboldt County Board of Equalization this year. The assessor's staff is well prepared and proficient when presenting the county's position at board of equalization hearings.

Reopened Roll Log: The roll log required by NRS 361.310 to be received by October 31, 1997 was received on July 25, 1997. Except for a few minor coding errors this report was correctly completed.

Obsolescence: The assessor continues to apply a 15 percent obsolescence factor to the improvements in McDermitt. This was the result of the mine closing in 1993. The assessor's method of applying obsolescence was reviewed and found to be correct.

New Construction: New construction is discovered through the use of the county building permit system. Nearly all of the new construction is discovered in this manner. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the roll log. A review of several parcels which had new construction did reveal that the new improvements are being valued and depreciated correctly.

Land Use and Exemption Codes: The assessor is correctly using and applying the land use and exemption codes.

Appraisal Cycle: The assessor's present appraisal cycle does appear to be manageable. It is, however, noted that as the county grows, the reappraisal cycle will require a more geographical system.

Improvement Factoring: The assessor uses a composite improvement factor that includes an additional year of depreciation. This system is incorrectly depreciating the improvements that are 50 plus years old to beyond the 75 percent maximum set by statute. This is being corrected during the reappraisals.

Appraiser Certification: The division has certified the assessor and two property appraisers to appraise for ad valorem tax purposes. There are no certified personal property appraisers on the assessor's staff at the present time.

Appraisers Training Requirements: The appraisers are in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 1999.

**LANDER COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.6	33.7	5.0%	123
IMPROVEMENTS	34.9	33.7	5.7%	102
IMPROVED LAND	35.0	33.7	3.7%	102
VACANT	32.4	33.7	3.7%	21
SFR IMPROVEMENTS	34.9	33.8	6.0%	60
SFR LAND	35.0	35.0	2.6%	60
SFR TOTAL	34.7	34.1	4.3%	60
MULTI IMPROVEMENTS	34.9	30.3	5.8%	5
MULTI LAND	33.3	34.2	3.3%	5
MULTI TOTAL	34.3	31.8	4.0%	5
COMM & INDUSTRIAL IMPROVEMENTS	34.8	33.5	3.7%	18
COMM & INDUSTRIAL LAND	35.8	34.7	3.5%	18
COMM & INDUSTRIAL TOTAL	34.6	33.8	3.4%	18
RURAL IMPROVEMENTS	35.0	34.8	6.7%	19
RURAL LAND	35.0	32.5	6.8%	19
RURAL TOTAL	35.0	33.2	8.3%	19
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.8	2.04%	50
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.1	2.40%	10
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	34.4	4.10%	10
MOBILE HOMES	35.0	34.8	1.22%	30
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.8	3.54%	96
AIRCRAFT	35.0	35.0	0.30%	10
AGRICULTURAL	35.0	35.0	1.34%	6
BILLBOARDS	35.0	34.8	0.81%	5
COMMERCIAL-INDUSTRIAL	35.0	35.1	4.39%	15
MOBILE HOMES	35.0	34.8	4.32%	60
TOTAL PERSONAL PROPERTY	35.0	34.8	3.03%	146

LANDER COUNTY
1998-99 RATIO STUDY

The Lander County reappraisal area includes Districts 3, 4, and 6; Kingston Town, Gillman Springs, and Austin Road, all originally scheduled for reappraisal in 1996. But due to internal problems in the Lander County Assessor's Office this area was rescheduled with Districts 1 and 7; Austin Town and Battle Mountain Road. In order to complete the reappraisal in the allotted time the county commissioners hired an outside independent appraisal firm to complete the 1996 and 1997 reappraisals.

There are a total of 3,891 taxable parcels in these areas, and is 54.8 percent of the county total. The division's sample was larger than normal due to the unusual circumstances involved. The sample included 60 single-family residences (17%), 18 commercial/industrial (30 %), 5 multi-family residences (21%), 19 agricultural (1.9%), and 21 vacant properties (2.0%).

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements	3
New Construction Valuation	3
Agricultural Land	3
Agricultural Land Records	3
Agricultural Land Classification Maps	3
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3

Higher Use	3
Agricultural Land Conversions	3

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale) (1)	2

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems (2)	2
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentation	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The assessor receives copies of deeds and declarations of value from the recorder's office. These documents are the basis for the sales data bank.

Sales Verification: The sales are entered into the computer to establish the assessor's sales data. The computer creates a sales questionnaire that is sent to both buyer and seller. The assessor is receiving an 80 percent return rate on the questionnaires. A second and third mailing is required for unreturned questionnaires. The assessor is able to verify nearly all sales using this method.

Sales Database: The assessor's computer is used to manage the sales data bank that includes a complete data file on each sale. The system is complete and accurate.

Vacant Land (excluding agricultural property): Twenty-one vacant properties were sampled in this study; all were within ratio parameters. There were very few recent sales in the reappraisal area. It was necessary to research all sales dating back six or seven years in order to have sufficient sales with which to set land values. The sample resulted in a median ratio of 32.4 percent and a coefficient of dispersion of 3.7 percent, well within target parameters.

Subdivision Analysis: The assessor has reviewed all qualified subdivisions in Lander County. For the 1998-99 tax year there are 20 subdivision ownerships that qualified for analysis. A review of the assessor's methods and resulting land values showed the assessor's analysis is correct.

Single-family Residential Land: Sixty improved single-family residential land parcels were sampled in this study: 26 in Book 1, Austin Town and 34 in Books 3 and 4, Kingston Town and Gillman Springs; all were within ratio parameters. Land values were set using the sales date for the respective areas. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 2.6 percent.

Multi-family Residential Land: Five improved multi-family residential land parcels were sampled in this study; all were within ratio parameters. The sample resulted in a median ratio of 33.3 percent and a coefficient of dispersion of 3.3 percent.

Commercial and Industrial Land: Eighteen improved commercial/industrial land parcels were sampled in this study; all were within ratio parameters. The sample resulted in a median ratio of 35.8 percent and a coefficient of dispersion of 3.5 percent.

Factors: The assessor uses the sales data bank when establishing land factors. Due to the limited number of sales received each year, the assessor must use several years of sales to develop a factor trend. Several parcels were reviewed and it was found that the assessor correctly applied the land factors.

Single-family Residential Improvements: Sixty improved single-family residential properties were included in the study. Four of these were not within ratio parameters. One was due to an incorrect classification of the residence and the other three were due to some minor improvements that were not valued. The sample resulted in a median ratio of 34.9 percent and a coefficient of dispersion of 6.0 percent. The appraiser did a good job of valuing this type of property.

Multi-family Residential Improvements: Five improved multi-family residential properties were included in the study. Only one was out of tolerance due to a difference in classification. All other samples were within ratio parameters. The sample resulted in a median ratio of 34.9 percent and a

coefficient of dispersion of 5.8 percent, well within target parameters. The appraiser did a good job of valuing this type of property.

Commercial and Industrial Improvements: Eighteen improved commercial and industrial properties were included in the study. Only one was not within ratio parameters. This was due to the method of valuing the different uses in the same building. The sample resulted in a median ratio of 34.8 percent and a coefficient of dispersion of 3.7 percent. The appraiser did a good job of valuing this property type.

Minor Improvements: The assessor did a very good job inventorying and valuing minor improvements such as small sheds, concrete flatwork and fences. Many of these improvements were added to the roll for the first time during this reappraisal. Throughout the study only small differences were noted.

New Construction Valuation: Several parcels having new construction were selected for review. It was found that the assessor is correctly valuing and depreciating new improvements.

Agricultural Land: Nineteen agricultural land parcels were sampled for this study. Minor differences in classification between the county's appraisers and the division resulted in four outliers. The sample produced a median ratio of 35 percent and a coefficient of dispersion of 6.8 percent, well within ratio parameters.

Agricultural Land Records: The agricultural land records were rated deficient in the 1994-95 ratio study. The land records are now accurate and reflect the new appraisals.

Agricultural Land Classification Maps: This area was rated as needing improvement in the last agricultural ratio study. Many of the old land maps had been lost, were decaying from age or were not properly updated. The current study found that new scale maps using USGS topographic maps were utilized. The new maps correctly reflected the current crop and forage potential of each parcel.

Agricultural Bulletin Use: The appraisers valued all agricultural parcels in the reappraisal area using the current agricultural bulletin.

Residential Homesite Valuation: The appraisers identified and correctly valued the residential homesites on the agricultural parcels as required by NRS 361A.140.

Agricultural Improvements: This area was rated as needing improvement in the last agricultural ratio study. The assessor's appraisers correctly valued the majority of the improvements using the current Marshall and Swift costs and Assessor's Handbook of Rural Building Costs. Only minor differences were noted in quality class and the discovery and valuation of minor improvements. The sample resulted in a median ratio of 35.0 and a coefficient of dispersion of 6.7 percent.

Deferred Taxes: The assessor correctly calculates and collects deferred taxes.

Higher Use: The assessor correctly identifies and values changes to higher use of agricultural parcels and areas of higher use on other qualifying parcels.

Agricultural Land Conversion: There have been no agricultural parcels converted to a higher use in recent years.

Assessment Maps: Geo Graphics of Battle Mountain prepares the assessor's maps. They are of good quality and easy to use.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Summary parcels are used on a very limited basis and only for billing purposes. The summary parcels are used for the convenience of the taxpayer so that they may receive only one tax bill. The assessor maintains an individual value for each parcel that is associated with the summary parcel.

PERSONAL PROPERTY

Discovery: The method of discovery for personal property in Lander County is adequate. Business licenses are required by the county for all new businesses. The FAA report is the main tool used to discover aircraft located within the county. By monitoring all new mobile home hook-up permits issued by the county, the assessor accomplishes both timely and accurate discovery and assessment of new mobile homes. Since the county is relatively small in population, the staff is informed of most changes or additions in the county. The county staff is currently not using the Department of Transportation Highway Report on billboard location, but are planning to get a copy in the near future. In addition, the staff is now conducting a physical search to verify the total number of billboards in the county. The division believes that the assessor and her staff are doing an overall good job of discovery in the county.

Record-keeping: This category has remained about the same over the past several years with a few small changes. The mobile home records are kept in individual folders and are filed alphabetically. The county staff is considering a change to numerical filing in order to increase speed and convenience. The division agrees with this proposed change. The Dealer's Report of Sale and other pertinent information are filed in the mobile home folders. The ranch and business declarations are now filed individually in separate file folders arranged in alphabetical order. This much needed change will help the staff in more accurate and easy filing. The division commends this improvement by the assessor. The only area of concern was that the files included old declarations and other outdated material that could be purged from the system. Considering the extensive changes in personnel since the last ratio study, the filing systems are very good.

Agricultural/Business Property: This property category has improved a great deal since the last ratio study through the efforts of the new assessor and her staff. Because it was difficult to determine the accuracy of many of the accounts when the assessor took office, it was decided that all business and ranch accounts should be re-verified and input into the computer. This was accomplished by mailing a declaration to all current and previous businesses and ranches within the county and then updating the computer system with the correct data. This resulted in the number of outliers being reduced by more than 50 percent from the previous ratio study.

One minor area of concern is the declaration return and estimated assessments. The county has a considerable number of non-filers in which the amounts are merely rolled over to the next year. This policy is one that has carried over from the past and continues to cause a low rate of declaration returns.

The assessor is aware of this problem and plans to establish a new policy with a set percentage or estimated assessment that will be applied to all non-filers in the upcoming year. Since most counties in the state have a similar policy concerning non-filers, the division recommends that an estimated value be placed on all undeclared properties. This action will ensure equity among all taxpayers and increase accurate and timely reporting of personal property.

Mobile Homes: Significant improvement has been made in this property category since the last ratio study. The Dealer's Report of Sale information and other original value documentation is available for nearly all mobile homes. It is apparent from the improved statistics and the reduced number of outliers, that the appraisal staff has devoted much work to this property category.

The division examined a small group of older mobile homes in its sample. A number of errors still exist within this older group. These include a variety of errors that were never corrected in the past. The division encourages the county to review the mobile home database in an effort to correct some of these past mistakes. The personal property staff, under the direction of the assessor, has already initiated a detailed plan to review and correct the entire mobile home database during the next year's work.

Real property improvements associated with unsecured mobile homes were not valued correctly. Since the division's visit, they are now being kept in separate files and calculated properly. The new personal property staff was unaware of this necessity, but now has committed to performing this procedure in the correct manner. The division endorses this change in policy and commends the assessor and her staff for diligently working toward a solution of this error.

Billboards: Billboards are a significant part of personal property in Lander County. The new staff was unaware of the Department of Transportation report that identifies signs and billboards located on Interstate 80, but will now obtain and use this report. Since the division's visit, the personal property staff has completed a physical inventory of the billboards located in Lander County and verified that all have been assessed. All of the billboard accounts were found to be correct with only one exception. This outlier was the result of an incorrect depreciation table being used on a billboard that was more than 25 years old.

Aircraft: Although there are only a few unsecured aircraft located here, the county is aggressively discovering, valuing, and taxing them. The division examined the entire population in this category and found all were correct. This resulted in a perfect ratio for this category.

Migratory Property: The assessor is making a good attempt to improve this property type. The discovery and assessment of migratory construction and mining personal property has not been accomplished in a satisfactory manner due to the lack of knowledge of the assessor and her relatively new appraisal staff. After the division's visit the assessor and her staff have implemented new procedures to ensure that these types of migratory properties are discovered and assessed properly.

Mobile homes in Lander County are now being treated correctly as pertains to migratory property. All mobile homes entering the county after July 1st are correctly classified as non-migratory and are placed on the next succeeding tax roll. Mobile and portable offices are correctly classified as migratory.

(2) Billing/Collection (penalties applied, seizure and sale): 2

Analysis: The collection of delinquent accounts has improved in Lander County, but this remains an area that could be improved. Even though Lander County is billing on time and adding the correct penalties for delinquent accounts, the collection of delinquent accounts continues to be the major problem. Economic pressures within the county over the past several years have contributed to an increase in the delinquency rate. With regards to mobile homes, no seizures have occurred. However, some improvement has taken place in this area since the last ratio study. Over 100 notices of intent-to-seize have been sent out by county staff in an attempt to collect delinquent mobile home accounts. Most of these were paid prior to seizure proceedings.

Recommendation: The assessor and her staff need more aggressive collection procedures. The division recommends that the assessor follows the procedures set forth in the statutes for non-paying accounts and pursues these accounts using all the available resources for collection. Any uncollectable accounts should be taken to the county commissioners and removed from the roll.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The only possessory interests valued by the assessor in Lander county are the hangers at the Kingston airport. The hangers at the airport have only an improvement value which is correctly applied in accordance with NRS 361.157.

Possessory Interest Valuation - Personal Property: There is no personal property possessory interest in Lander County.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated.

(2) Cost Manuals and Systems: 2

Analysis: The assessor uses the Marshall and Swift computer estimator programs to value most major improvements. The estimator updates are loaded into the computer annually at the beginning of the work year. The October 1996 update is used for the commercial property and the September 1996 update is used for the residential property. The assessor has one copy each of the Marshall and Swift Residential and Commercial Cost Manuals and two copies of the Assessor's Handbook of Rural Building Costs. One problem was discovered with the commercial manual. There were five sections that did not include the correct pages and costs. When this was brought to the assessor's attention, correct pages were ordered. The assessor also altered her order with Marshall and Swift so that they will receive an entire residential and commercial manual each year rather than the monthly and quarterly updates. Even though the assessor will be receiving an entire manual each year, it is recommended that the manuals be reviewed to ensure that the correct pages have been inserted. The assessor's miscellaneous building program which is based on the Marshall and Swift cost manuals and the Assessor's Handbook of Rural Building Costs is used to value most minor and agricultural improvements.

Recommendation: The assessor will begin receiving a new Marshall and Swift Residential and Commercial Cost Manual each year. It is necessary that the pages be reviewed before the start of each reappraisal cycle to ensure that the correct pages have been inserted and correct costs used.

Appraisal Records: The information in the files is correct, complete and up to date. Each property record file contains a drawing and picture of the improvements, a Marshall and Swift data entry form and printout, and a miscellaneous building sheet. In addition, some information from the previous appraisals may be included for comparison purposes. Only the information needed to identify the property and defend the appraisal is included.

Filing System: The assessor's real property files are organized in parcel number. The agricultural files are organized alphabetically by owner's name. The division recommends that the agricultural parcels be reorganized in parcel number order. This system will allow easier retrieval and be more efficient to use.

Reports: All of the many reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentation: For this tax year there were eighteen appeals to the Lander County Board of Equalization. The staff was well prepared to present the county's position at the hearings.

Reopened Roll Log: The roll log required by NRS 361.310 to be received on or before October 31, 1997 was received on October 16, 1997. This report was correctly completed.

Obsolescence: The assessor reviews sale prices and compares taxable value to determine whether obsolescence is necessary. Obsolescence has not been applied to any parcels in Lander County.

New Construction: The assessor discovers new construction using the county building permits that are received on a monthly basis. Nearly all new construction is discovered in this manner. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll, but before July 1st, is included on the roll log. A review of several parcels with new construction shows that the improvements are being correctly valued and depreciated. It should also be noted that the assessor discovered and billed several parcels with new construction that were escaping taxation for the fiscal year of 1997-98.

Land Use and Exemption Codes: The assessor uses and correctly applies the land-use and exemption codes.

Appraisal Cycle: During 1997, Districts 01, 03, 04, 06, and 07, which includes the Town of Austin, Kingston, Gillman Springs, Austin Road and Battle Mountain Road were reappraised. This area represents 56 percent of the county. Because the assessor and her staff were all relatively new, the Lander County Commission hired a private appraisal firm to complete this reappraisal. In 1995, the commercial and multi-family residential properties in District 02, which is the town of Battle Mountain, were reappraised. This area represents 5 percent of the county total. In 1994, the residential properties in District 02, Battle Mountain Town, were reappraised. This area represents 16 percent of the county.

In 1998, the Antelope Reese area and the Special Land in District 08 will be reappraised. The division recommends that the assessor consider restructuring the reappraisal areas into a more geographic format. This will be more cost effective and easier to manage as well as more evenly balanced. The division is concerned that with only one full time certified appraiser, and one part time data collector, the assessor's office may be understaffed, and unable to keep up with the new construction as well as the reappraisal cycle. Therefore, the division recommends that the part time data collector be upgraded to a full time appraiser position and that one of the other positions in the office be used as a part time data collector.

Improvement Factors: The assessor uses a composite improvement factor that includes an additional year of depreciation. This in turn incorrectly depreciates those improvements that are 50 plus years old beyond the 75 percent maximum depreciation. This is corrected on reappraisal.

Appraiser Certification: At this time there is only one certified real property appraiser on staff. The assessor and two other staff members currently have temporary certificates.

Appraiser Training Requirements: The appraiser is in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be needed by the year 1999.

**LYON COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.9	34.5	2.3%	84
IMPROVEMENTS	34.7	34.2	3.9%	74
IMPROVED LAND	35.0	35.0	0.3%	74
VACANT	35.0	34.9	0.5%	10
SFR IMPROVEMENTS	34.6	34.3	4.0%	53
SFR LAND	35.0	35.0	0.0%	53
SFR TOTAL	34.8	34.5	2.5%	53
MULTI IMPROVEMENTS	34.3	34.3	3.1%	5
MULTI LAND	35.0	35.0	0.2%	5
MULTI TOTAL	34.4	34.5	2.3%	5
COMM & INDUSTRIAL IMPROVEMENTS	35.4	34.1	1.9%	10
COMM & INDUSTRIAL LAND	35.0	35.0	0.1%	10
COMM & INDUSTRIAL TOTAL	35.1	34.5	1.2%	10
RURAL IMPROVEMENTS	33.6	33.2	5.4%	6
RURAL LAND	35.1	34.7	2.8%	6
RURAL TOTAL	33.7	33.8	4.6%	6
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	1.02%	48
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	0.77%	10
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.0	1.34%	8
MOBILE HOMES	35.0	35.0	1.00%	30
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	1.42%	148
AIRCRAFT	35.0	35.0	0.17%	8
AGRICULTURAL	35.0	35.0	0.13%	5
BILLBOARDS	35.0	35.0	0.19%	3
COMMERCIAL-INDUSTRIAL	35.1	34.8	3.89%	32
MOBILE HOMES	35.0	35.0	0.83%	100
TOTAL PERSONAL PROPERTY	35.0	35.0	1.32%	196

LYON COUNTY
1998-99 RATIO STUDY

Lyon County's reappraisal area includes Assessor's Map Books 20 and 21, which encompass the town of Fernley and the surrounding area. The Fernley area has been experiencing rapid growth, especially in industrial/commercial uses. The majority of the industrial development has occurred in a newer industrial area, which is located between the alignments of Interstate 80 and the Union Pacific Railway. The reappraisal area includes 4,145 parcels of record. 2,044 of these are vacant land parcels, and 45 are classified as agricultural use. The division's study included 53 residential (2.78%), 5 multi-family residential (7.35%), 10 commercial (7.94%), 10 vacant (0.5%) and 6 agricultural parcels (13.33%).

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements (1)	2
New Construction Valuation	3
Agricultural Land	3
Agricultural Land Records	3
Agricultural Land Classification Maps	3
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
Agricultural Improvements	3
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	N/A
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certification	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

REAL PROPERTY

Sales Collection: The assessor receives copies of deeds and declarations of value from the county recorder's office, and these documents form the basis for the sales data bank.

Sales Verification: The assessor has an agreement with the title companies in Yerington to verify sales data for him, and to supply this information to the assessor's office. The sales that do not go through a title company were reported to be verified by telephone by a staff appraiser. The majority of the sales data is verified through one of these approaches.

Sales Database: The assessor's sales data base goes back at least five years, and includes both vacant and improved properties. All pertinent information concerning the transaction is included in this record.

Vacant Land (excluding agricultural property): Ten vacant properties were sampled in this ratio study, and all ten were found to be within ratio parameters. The assessor and his staff are using acceptable methods to value vacant land. City lots are appraised using a price per square foot unit of comparison derived from sales of standard size lots. Larger lots are valued in a similar manner, with consideration given the size of the parcel in relation to a standard size lot. Vacant parcels located outside of the city are valued based on sales of similar size parcels. The properties sampled indicated a median ratio of 35 percent and a coefficient of dispersion of 0.5 percent. Both of these ratios are well within Statute limits.

Subdivision Analysis: The assessor did review all qualified subdivisions in the county and found nineteen that qualified for subdivision analysis. A review of the assessor's methods and the resulting land values show that the assessor's analysis was thorough and accurate.

Single-family Residential Land: Fifty-three improved single-family residential land parcels were sampled in this study and they were all found to be within ratio parameters. This sample indicated a median ratio of 35 percent.

Multi-family Residential Land: The division sampled five improved multi-family residential land parcels, and all were concluded to be in-line with state guidelines. This sample revealed a median ratio of 35 percent and a coefficient of dispersion of 0.2 percent, both of which are well within prescribed limits.

Commercial and Industrial Land: Ten improved commercial/industrial land parcels were sampled in this study. All of the properties were found to be within ratio parameters. The sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 0.1 percent. These ratios are well within prescribed guidelines.

Factors: The division's review of several parcels indicated that the assessor is correctly applying land factors.

Single-family Residential Improvements: Fifty-three improved single-family residential properties were sampled in the study. There were various minor errors discovered, however, only four residential improvement ratios were found to be outside the statutory limit. Even though there were minor errors discovered, it is obvious that the assessor's staff is measuring and classifying the improvements correctly. This sample revealed a median ratio of 34.6 percent and a coefficient of dispersion of 4.0 percent.

Agricultural Bulletin Use: The assessor does correctly apply the values contained in the current year agricultural bulletin.

Residential Homesite Valuation: The homesite area on agricultural properties is being correctly valued in equalization with nonagricultural residential sites as required by NRS 361A.140.

Agricultural Improvements: The division found that the assessor is correctly appraising agricultural improvements utilizing the Marshall and Swift Residential Cost Handbook and the Assessor's Handbook of Rural Building Costs. Only small differences in minor improvements and calculations were discovered.

Deferred Taxes: A review of four parcels that were converted to a higher use showed that the assessor is utilizing the correct methodology in calculating and collecting deferred taxes.

Higher Use: Changes to a higher use on an agricultural property and areas of higher use on qualifying parcels are being properly noted and valued by the assessor.

Agricultural Land Conversion: The assessor reported that there were twenty-five parcels with a total of 586.52 acres converted from agricultural to residential or commercial/industrial use during 1997. A review of the assessor's calculation of the deferred taxes due on these properties found that they were correct.

Assessment Maps: The assessor has one employee who is responsible for maintaining the parcel maps. The maps appear to be adequate in content and are well maintained.

Prescribed Parceling System: The assessor does use the prescribed parceling system. Lyon County, is still using two referral parcels, however, it was reported that they are to be eliminated in the near future. All of the parcels are included on the tax roll.

PERSONAL PROPERTY

Discovery: Lyon County's discovery process is one of the best in the state. Aircraft are identified through airport tie down reports and FAA fact listings. Mobile homes are identified through building permit inspections supplied by county and state sources. A business license is required for all commercial operations within the county. The assessor's staff also relies on county building permits as a source for discovering new businesses within the county. In addition, the staff does conduct field inspections of the numerous ranches and businesses in order to determine if all the equipment is being reported. The division commends the assessor and his staff for their diligence in this area.

Record-keeping: The assessor and his staff continue to maintain orderly files in Lyon County. The staff has made numerous improvements in order to bring the filing system up to its present level. All business and ranch declarations are filed in separate folders that are filed alphabetically. They are very well organized and free of outdated material. Aircraft records are filed by personal property account number. The mobile home cards are filed numerically by personal property account number with the Dealer's Report of Sale attached to the back. A separate set of files contains the real property

improvement records for mobile homes. During the current ratio study the division did examine the files created by the staff for the conversion of mobile homes to real property. These records are very helpful in identifying and tracking mobiles during the difficult, and very often lengthily process of conversion. The division congratulates the county staff on the quality of their conversion file system.

Business/Agricultural Property: These two categories have continued to improve since the prior ratio study. The division examined a large sample in these categories and found only a few minor errors that did result in a near perfect ratio. The appraisal staff has become very efficient in assigning the correct class life to items on the declarations. The ratio study did reveal a couple of class life mistakes in a large sample that contained hundreds of individual line items. The number of errors recorded for this property group in general are far less than expected for the combined sample size, and are far below the typical number of outliers encountered in other counties.

Lyon County reports an excellent rate of return on personal property declarations in the approximately 95 percent range. The assessor and his staff apply an estimated assessment increase of 20 percent per year to all non-filers in the county. The division agrees with this policy.

Mobile Homes: Lyon County has a large number of mobile homes in relation to the size of the county, and the growth in this property type is increasing each year. The division examined a large sample in this category and found only seven outliers. All of the samples surveyed were valued correctly by the assessor, including the assessment of the real property included with unsecured mobile homes. The real property items, which are maintained in separate files from the unsecured mobile homes, are updated each year with the correct depreciation, and then added to the appropriate taxpayer bill. The assessor's staff is doing an excellent job in discovering and valuing the over 6,000 mobile homes in this property category. The division considers Lyon County's management of this property type to be one of the most efficient in the entire state of Nevada.

Billboards: There are very few billboards in Lyon County. This entire property class was reviewed and only one error was discovered, resulting in a near perfect ratio. The only error noted, which has since been corrected, involved the application of an incorrect depreciation estimate for an older billboard.

Aircraft: Very few aircraft are located within Lyon County. The entire category was reviewed, and no errors were found, resulting in a perfect ratio.

Migratory Property: The assessor and his staff continue to treat the large number of mobile homes as non-migratory and do not assess them on a pro-rated basis. If a mobile home comes into the county after the July 1st lien date, it is added to the inactive file, and then put on the roll during the next tax year. The division agrees with this method of assessment and commends the assessor and his staff for continuing to value mobile homes correctly. All other migratory personal property is being pro-rated and assessed in accordance with the Nevada Revised Statutes.

Billing/Collection (penalties applied, seizure and sale): Billing and collection procedures in the county continue to improve with a very aggressive approach to collections. All appropriate penalties are being added and collected on delinquent accounts. Since the last ratio study, the staff has accelerated their collection efforts, especially regarding mobile homes. Last year a number of mobile homes were

seized and sold for taxes, while over 350 intent-to-seize letters were mailed to delinquent taxpayers. The county has reduced delinquency in business accounts by passing an ordinance that prohibits the renewal of a business license unless the personal property taxes are paid. These methods have greatly reduced the number of delinquent mobile homes and business accounts. The division rates the overall collection effort in Lyon County very high.

The personal property department of Lyon County is a well run organization, with a conscientious, motivated, and helpful staff.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The only possessory interest being valued by the assessor in Lyon County is the hangers at the county airport. Only the improvements are valued. The division's survey indicated that this property type is being valued correctly.

Possessory Interest Valuation - Personal Property: There are no personal property possessory interests in Lyon County.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated.

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most major improvements. The estimator updates are loaded into the computer once each year at the beginning of the work year. The October 1996 update is used for the commercial property and the September 1996 update is used for the residential property. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial Cost Manual. All of the manuals have been correctly updated. The assessor's miscellaneous building program, which is based on the Marshall and Swift cost manuals and the Assessor's Handbook of Rural Building Costs, is used to value most of the minor improvements and agricultural improvements.

Appraisal Records: The information in the files are correct, complete and up to date, and the files do include a picture, and a drawing of the improvements. The assessor's staff is taking new pictures and drawing new sketches as needed. Marshall and Swift data entry sheets, printouts and miscellaneous building sheets are also included in the file. In addition, some information from the previous appraisals may be included for comparison purposes. Only the information needed to identify the property and defend the appraisal is included in the property file.

Filing System: The assessor's real property record files are organized in parcel number order. This system allows for easy retrieval and is efficient to use.

Reports: All of the many reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentation: For this tax year there were only three appeals to the Lyon County Board of Equalization. The assessor's staff is well prepared and proficient in the presentation of the county's position at the board of equalization hearings.

Reopened Roll Log: The roll log required by NRS 361.3104 to be received by the division on or before October 31, 1997, was received on October 17, 1997. This report was correctly completed.

Obsolescence: The assessor routinely compares sales prices to taxable value to determine whether obsolescence is necessary. Usually the property owner brings the problem to the attention of the assessor. Market evidence to support a reduction is often unavailable. Such cases are referred to the county board of equalization for consideration. During this fiscal year, there were no adjustments for obsolescence applied to any properties in Lyon County.

New Construction: New construction is discovered through the use of the county building permit system. Nearly all new construction is discovered in this manner. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll, but before July 1st is included on the roll log. A review of several properties with new construction revealed that the new improvements are being correctly valued and depreciated.

Land Use and Exemption Codes: The assessor is correctly using and applying the land use and exemption codes.

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this ratio study, Books 20 and 21, which include the town of Fernley and the surrounding area, were reappraised. These areas involve approximately 18 percent of the county. In 1996, Books 3, 4, 12, and 14, which include Mason Valley, Willow Creek GID, Weed Heights and 106 General County parcels were reappraised. This area represents approximately 16 percent of the parcels in the county. In 1995, Books 1, 9, and 10, which include the City of Yerington, Smith Valley and 47 General County parcels were reappraised. This area involves approximately 11 percent of the county. In 1994, Books 15, 17, 18, and most of Book 19, which includes Silver Springs and Stagecoach, were reappraised. These areas represent 35 percent of the county. In 1998, Dayton, Mound House, Silver City and the Carson Plains will be reappraised. The appraisal cycle is geographic in nature, and appears to work well for the assessor and his staff.

Improvement Factoring: The assessor uses a composite improvement factor that includes one additional year of depreciation. By doing so, any improvements that are 50 plus years old are depreciated beyond the 75 percent maximum depreciation allowed by statute. This condition is reportedly being corrected upon reappraisal.

Appraiser Certification: The assessor and six real property appraisers are all certified by the division to appraise for ad valorem tax purposes. Two persons on the staff are certified personal property appraisers.

Appraiser Training Requirements: All of the appraisers are in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 1998.

**NYE COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	33.8	34.2	3.2%	62
IMPROVEMENTS	34.9	34.0	2.7%	41
IMPROVED LAND	33.1	35.0	3.4%	41
VACANT	33.1	33.4	1.9%	21
SFR IMPROVEMENTS	34.7	34.8	2.2%	29
SFR LAND	33.1	33.5	1.8%	29
SFR TOTAL	33.9	34.4	1.8%	29
MULTI IMPROVEMENTS	35.0	29.4	5.6%	4
MULTI LAND	33.8	34.3	2.6%	4
MULTI TOTAL	34.1	31.0	4.1%	4
COMM & INDUSTRIAL IMPROVEMENTS	33.3	33.8	2.6%	5
COMM & INDUSTRIAL LAND	33.1	33.9	2.5%	5
COMM & INDUSTRIAL TOTAL	33.4	33.8	2.4%	5
RURAL IMPROVEMENTS	35.0	35.0	0.0%	3
RURAL LAND	40.8	42.7	7.7%	3
RURAL TOTAL	40.8	42.7	7.7%	3
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	4.41%	107
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	34.2	10.01%	18
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.1	2.74%	15
MOBILE HOMES	35.0	35.0	3.38%	74
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.2	5.06%	232
AIRCRAFT	35.0	35.1	7.16%	15
AGRICULTURAL	35.1	35.2	10.35%	8
BILLBOARDS	35.1	36.4	17.78%	6
COMMERCIAL-INDUSTRIAL	35.0	37.3	16.76%	44
MOBILE HOMES	35.0	34.9	0.87%	159
TOTAL PERSONAL PROPERTY	35.0	35.2	4.85%	339

NYE COUNTY
1998-99 RATIO STUDY

The Pahrump area of Nye County continues to grow at a rapid rate. In the last two years approximately 700 new improvements were added to parcels in this area. The balance of the county has remained relatively stable. The reappraisal area includes that portion of Pahrump east of Homestead Road and south of Gamebird Road. This area contains 3,713 nonagricultural parcels (2,878 vacant), and 9 agricultural parcels. The division's appraiser studied 29 residential (3.7%), 4 multi-family residential (12%), 5 commercial/industrial (33%), 3 agricultural (33%), and 21 vacant (0.7%).

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements	3
New Construction Valuation	3
Agricultural Land (1)	1
Agricultural Land Records (2)	2
Agricultural Land Classification Maps (3)	2
Agricultural Bulletin Use	3
Residential Homesite Valuation	N/A
Agricultural Improvements	N/A
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery (4)	2
Record-keeping	3
Agricultural (5)	2
Business Property (6)	2
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property	3
Possessory Interest Valuation - Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction (7)	2
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring (8)	2
Appraiser Certifications	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

Sales Collection: The county recorder sends the assessor copies of recorded deeds and declarations of value. These documents are the basis for the assessor's sales data bank.

Sales Verification: The assessor has improved the methods of sales verification and is sending letters and questionnaires to all buyers and sellers of vacant property. Eighty percent of the questionnaires are returned completed. Sales known by the assessor to be invalid are excluded from the verification

process. The division recommends that any questionable sales processed through a title company be verified by subpoena. This would allow for verification of most sales.

Sales Database: The database has been improved greatly and now includes all sales and all of the information needed for sales verification and analysis. Nearly all data included in the database was found to be correct.

Vacant Land (excluding agricultural property): Twenty-one vacant land parcels were sampled in this study; all were within ratio parameters. However, the sample indicated that parcels in Area 997 and Christensen Record of Survey were in the low but acceptable range of value. The division advises that the staff give these areas close examination when preparing fiscal year 1999-2000 land factors. The sample resulted in a median ratio of 33.1 percent and a coefficient of dispersion of 1.9 percent.

Subdivision Analysis: The assessor has reviewed all qualified subdivisions in the county. For the 1998-99 tax year there are three subdivisions in the north and eight in the south that qualified for analysis. A review of the assessor's methods and resulting land values showed the assessor's conclusions to be correct.

Single-family Residential Land: Twenty-nine improved single-family residential land parcels were sampled in the study; all were within ratio parameters. The assessor values residential land properly. The assessor's land values were based on verified vacant land sales of comparable parcels in the Pahrump area. The sample resulted in a median ratio of 33.1 percent and a coefficient of dispersion of 1.8 percent.

Multi-family Residential Land: Four improved multi-family residential land parcels were sampled in the study; all were within ratio parameters. The assessor's land values in the Pahrump area were based on verified vacant sales of comparable parcels. The sample resulted in a median ratio of 33.8 percent and a coefficient of dispersion of 2.6 percent.

Commercial and Industrial Land: Five improved commercial/industrial land parcels were sampled in the study; all were within ratio parameters. The assessor values commercial and industrial land properly. Commercial land values in Pahrump were confirmed by sales of comparable parcels. The sample resulted in a median ratio of 33.1 percent and a coefficient of dispersion of 2.5 percent.

Factors: Land factors were derived from an analysis of sales and applied correctly. The assessor's staff has a good grasp of factoring methods and procedures.

Single-family Residential Improvements: Twenty-nine improved single-family properties were sampled in the study. Only one sample ratio was not within statutory limits due to a difference in classification. The assessor has improved his methods of valuing residential properties. Only minor discrepancies in measurement and quality classes were noted in this study. The assessor is including all fences, concrete flatwork and decks in current appraisals. The sample resulted in a median ratio of 34.7 percent and a coefficient of dispersion of 2.2 percent.

Multi-family Residential Improvements: Four improved multi-family residential properties were sampled in the study. One sample ratio was not within statutory limits due to new construction on the parcel that had not been valued. The study found no substantial errors in multi-family residential improvements. The assessor is verifying measurements, using the correct quality classifications and including minor improvements. The sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 5.6 percent.

Commercial and Industrial Improvements: Five improved commercial/industrial properties were sampled in the study; all were within ratio parameters. There were no substantial errors in the commercial/industrial portion of the study. The assessor has updated drawings and included minor improvements in his current appraisals. The sample resulted in a median ratio of 33.3 percent and a coefficient of dispersion of 2.6 percent.

Minor Improvements: Each year the assessor's staff has improved in the valuation of minor improvements. The current study confirmed that minor improvements are routinely discovered and correctly valued. Only minor discrepancies in measurements and discovery were noted.

New Construction Valuation: A sample of parcels having new construction was chosen and it was found that the assessor correctly values and depreciates new improvements.

(1) Agricultural Land: 1

Analysis: Three agricultural land parcels were sampled in the study. The assessor did not inspect the agricultural land in the reappraisal area. New agricultural applications were sent to all deferred property owners; but no physical reappraisal was completed. Because of this, two of the three samples were not within ratio parameters due to changes that have occurred since the last reappraisal.

Recommendation: Reappraise all agriculturally deferred parcels in the reappraisal area and submit the new values to the board of equalization for approval.

(2) Agricultural Land Records: 2

Analysis: Land records are in each file but have not been updated with a current appraisal.

Recommendation: Reappraise all agriculturally deferred parcels when due and correctly update the land records.

(3) Agricultural Land Classification Maps: 2

Analysis: Agricultural land classification maps have not been updated with a current appraisal.

Recommendation: Correctly update all land classification maps with a current appraisal.

Agricultural Bulletin Use: The correct bulletin was used to update agricultural land values in the factored area and to update the parcels in the reappraisal area that should have been reappraised.

Residential Homesite Valuation: There were no improved agricultural parcels included in the study.

Agricultural Improvements: There were no improved agricultural parcels included in the study.

Deferred Taxes: A review of the assessor's procedures for calculating and collecting deferred taxes indicates that proper methods are being used. During the past year only one parcel was converted to a higher use and deferred taxes were billed and collected.

Higher Use: Changes to higher use of agricultural parcels and areas of higher use on other qualifying parcels are properly noted and valued by the assessor.

Agricultural Land Conversion: The assessor had one parcel totaling 40 acres convert from agricultural use to residential or commercial/industrial use for calendar year 1997. A review of the assessor's calculation for deferred taxes found them to be correct.

Assessment Maps: The county planning department prepares the assessor's maps. The maps are of good quality and are easy to use.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Summary parcels are no longer used in Nye County. The assessor has now platted all exempt land on the parcel maps. However, most exempt parcels such as Bureau of Land Management, U. S. Forest Service and Indian parcels are excluded from the assessment process.

PERSONAL PROPERTY

(4) Discovery: 2

Analysis: The assessor and his appraisal staff continue to struggle with the discovery of personal property in Nye County. During several past ratio studies it was found that the county does not have business license requirements or a building permit system. Without these two important tools it is virtually impossible to ensure the discovery of all personal property within the county.

The assessor and his staff are doing all in their power to complete the task given them, but without the necessary tools which exist in nearly every county in the state except Nye, it will be very difficult to accomplish that task. The detrimental effect this is having is apparent especially in the Pahrump area which is experiencing rapid growth. During the division's visit it was determined that 25 new large billboards have been added along the main highway in addition to numerous retail stores, shopping centers, and other businesses. The taxable value of the billboards alone is estimated to be \$250,000 to \$350,000 of personal property.

A second area of major concern is the extreme growth in the number of mobile homes in the Pahrump area. Because a building permit system does not exist in Nye County, the timely discovery of all of these new mobile home units is extremely difficult for the appraisal staff. Presently, the assessor is attempting to identify these new units through the inspections required for septic tanks. Without

building permits the discovery process for mobile homes in the rapidly growing Pahrump area has been hampered considerably.

Recommendation: The lack of building permits and business licenses in Nye County have made the assessor's mandated job of property discovery very difficult. Therefore, until the Nye County leaders provide the proper discovery tools, the assessor and his staff must continue to use all available discovery sources and capabilities to discover and assess personal property as best they can. Use of the septic tank inspections should continue as well as physical inspections to discover new mobile homes. The assessor and his staff should continue to use newspapers, phone books and other public listings in the pursuit of new business operations within the county. The city of Pahrump is considering the enactment of a business license requirement for the city. If this does occur, the assessor and his staff should take advantage of this new tool for business discovery.

Because of the increasing problems facing the Pahrump area, as well as the rest of Nye County, the division recommends that the necessary steps be taken to create adequate discovery tools such as building permits and business licensing within the county as soon as possible. The benefits of this change would be to ensure equity among taxpayers, a possible increase in tax revenue, and a more efficient assessor's office due to a reduction of wasted man-hours now expended on property discovery.

Record-keeping: The county has made improvement in this category since the last ratio study. The personal property files located in the Tonopah office have seen the greatest amount of change while the Pahrump office has seen less improvement in this area. The division commends the appraisal staff for the work done in improving record keeping. The business and ranch declarations are now filed in individual folders and are filed alphabetically for unsecured accounts and numerically for secured accounts, while the mobile home records, including the Dealer's Report of Sale, are attached to the back of alphabetically filed cards.

Even though the division feels that the present filing system is adequate, there are some minor problem areas that need to be resolved. The first and most important of these problems is the amount of excess and outdated material existing in files. The files are now easier to work with but contain many old declarations and outdated information. A purge of the old declarations and other unnecessary material is needed. This problem was primarily found in the Pahrump office where the files were so cluttered that it was difficult for the division to locate needed data. The division recommends that all obsolete declarations and other unnecessary material be purged from the business and ranch files in the Pahrump office.

It should be pointed out that the condition of the files in the Pahrump office is not entirely the fault of the staff. During the weeklong visit of the division to that office, it became very apparent that the office space and file storage needed for the assigned staff and present workload, are totally inadequate. Often times the assessor's staff were literally crawling over each other or trading desks in order to complete tasks. With the growth occurring in the Pahrump area, this lack of office space and storage, will only worsen in the future. The division highly recommends that the county address this problem as soon as possible.

(5 & 6) Business/Agricultural Property: 2

Analysis: This property category has improved a great deal since the last ratio study, especially in the Tonopah office. The Tonopah office had only a few isolated outliers and showed a marked improvement in class life assignments and overall management. However, the Pahrump office, which accounted for over 80 percent of the total personal property outliers, continues to suffer from the same basic problems that existed in the previous ratio study, especially in the assignment of class life depreciation. In addition, a number of samples in the agricultural accounts contained exempt sprinkler equipment that had not been deleted from the taxpayer's records. The statute that mandated this statewide exemption has been in effect for several years.

The incorrect depreciation of personal property items continues to be the most serious problem within this property category. The staff assigned incorrect depreciation to numerous personal property items. All but one of the outliers in this property category was the result of incorrect class life assignment.

Again, it should be pointed out that the workload in the Pahrump office has grown a great deal. Because of the lack of time, there is a tendency to prioritize the work requirements. Because the appraisal staff has so many responsibilities, personal property assessment receives less time and emphasis.

Recommendation: The division recommends devoting more time and attention to assigning class lives. The appraisal staff should refer to the list of property class lives contained in the Personal Property Manual before assigning any class life. Because of the number of errors of this type which occurred in the Pahrump office, the division recommends that additional training be given to the staff concerning this procedure. The division further recommends that additional staff be assigned to the Pahrump office in order to accommodate the increased workload which now exists in that office.

The division recommends that a complete and thorough review of the agricultural accounts be conducted immediately. All exempt sprinkler equipment must be removed from the personal property records to conform to the statute that exempts these items.

Mobile Homes: A large representative sample was taken in this property category. The ratio study analysis contained very few outliers and indicated that this property category has improved dramatically. The few errors that occurred within this group were confined to the older mobile homes and were very minor in nature. Overall, ratios in this category are very good. It should be noted that the newer mobile homes are being handled and valued correctly. The division feels that this property category is being managed well, and give it the highest rating because of the many changes and improvements that have taken place since the last ratio study.

Migratory Property: The assessor and his staff have made a major change in this area concerning mobile homes. Currently, they do not consider all mobile homes to be migratory property. Mobile homes that arrive in the county after the July 1st lien date are now added to the computer database as inactive accounts. Later, during the yearly change over, they are activated and assessed in the succeeding tax roll year. With this change in policy, the assessment of mobile homes on a pro-rata basis has been discontinued. This needed change in policy now brings the county in compliance with a letter

sent out by the division in June 1990 concerning the migratory status of mobile homes. All other migratory property within the county is being valued and assessed correctly by the assessor.

Billboards: The assessor and his appraisal staff are doing a good job in this area of assessment. In the past, very few billboards existed in the county, but that is changing rapidly with the growth occurring in the Pahrump area. The sample taken during this study had no outliers and therefore, it was rated at the highest level. While visiting the Pahrump office, the division discovered that 25 new large billboards had been constructed along the main highway. The appraisal staff was in the process of adding these to the tax roll. They were not included in this ratio study.

Aircraft: The division reviewed almost the entire population of aircraft within the county and few errors were found in this category. This property category had an excellent ratio and is managed very well by the assessor.

Billing/Collection (penalties applied, seizure and sale): Nye County continues to make improvements in this area since the last ratio study. The billing process is done correctly and the proper penalties and interest are added to delinquent accounts. An increased effort in collections has occurred in Nye County during the recent past, especially in the mobile home category. A large number of intent-to-seize letters were sent out last year. The seizure process is practiced aggressively by the assessor and his staff. In addition, quite a few delinquency letters were mailed to business accounts in an effort to increase collections. The division commends the assessor and his appraisal staff for making the changes and improvements in this area.

The division recommends that the assessor and his staff continue this aggressive approach for the collection of delinquent accounts.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The assessor has correctly valued the land and improvements at the Tonopah Airport. Those improvements located upon or within the limits of the Tonopah Airport have only an improvement value and those outside of the airport limits have a land and improvement value.

Possessory Interest Valuation - Personal Property: Personal Property at the Nevada Test Site has been valued and placed on the tax roll. However, due to the lack of cooperation from the private contractors at the Tonopah Test Site, the assessor has been unable to gather any information regarding their personal property value. The assessor must continue to make every effort to discover any possessory interest property at the Tonopah Test Site.

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated.

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most major improvements. The programs are updated annually at the beginning of the work year. The October 1996 update is used for the commercial property and the September 1996 update is used for

the residential property. The assessor maintains several updated Marshall and Swift Residential Cost Handbooks, several Marshall and Swift Commercial Cost Manuals, and several Assessor's Handbook of Rural Building Costs. These manuals are used to value most minor improvements.

Appraisal Records: The information in the files is correct, complete and up to date. Each property record file contains a drawing and picture of the improvements, a Marshall and Swift data entry form and printout, and a miscellaneous building sheet. In addition, some information from the previous appraisals may be included for comparison purposes. The assessor continues to remove the extraneous material from the files as the properties are reappraised. Only the information needed to identify the property and defend the appraisal is included.

Filing System: In the north, the assessor's real property record files are organized by reappraisal group in parcel number order. The assessor's real property record files in the south are organized in parcel number order. The division recommends that the real property record files in the north be reorganized into parcel number order as is done in the south and in other counties. This will standardize the system and be more efficient.

Reports: All of the many reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentations: For this tax year there were 14 appeals to the Nye County Board of Equalization. The assessor's staff is prepared and proficient when presenting appeals at board of equalization hearings.

Reopened Roll Log: The roll log required by NRS 361.3104 to be received by the division on or before October 31, 1997, was received on September 4, 1997. Other than a few minor coding errors this report has greatly improved and was correctly completed.

Obsolescence: The assessor compares sales prices to taxable value on a regular basis to determine whether taxable value is exceeding full cash value on any properties.

The assessor has reduced the values of 134 properties northwest of Tonopah using obsolescence of 13 percent. The amount is based on a sale ratio study conducted by the assessor. All properties in the Tonopah area have been depressed for some time due to a mine closure and a scale down of operations at the Tonopah Test Site. A review of the data shows the 13 percent reduction is appropriate.

(7) New Construction: 2

Analysis: Nye County has no building permit system. The assessor uses occupancy permits associated with new septic systems to discover new mobile homes and residences and travels throughout the county to discover other improvements. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll but before July 1st is included on the roll log. A review of several parcels of new construction shows that the new improvements are being correctly valued and depreciated. However, during our visit to the Pahrump office, it was discovered that 351 parcels with new construction had not been valued and

placed on the roll in a timely manner for fiscal year 1997-98. Of those parcels, 245 should have been billed for fiscal year 1997-98 and 84 of those should have been billed for the past two fiscal years. This is property escaping taxation. It is important that all new value be added to the tax roll in a timely manner. New value which is not included in the segregation reports will directly impact the tax rates and resulting revenues. Without a building permit system, new construction can only be discovered through a parcel by parcel canvas of the area. This method of discovery is very inefficient and requires a significant commitment of manpower and equipment.

Recommendation: Restructuring the work year around the new construction should be considered. Many of the counties now value their new construction between the close of the roll in December and the end of the fiscal year on June 30th and allow whatever time is necessary. Some take only April, May, and June, while others may take more time. During this period the entire staff is used for new construction. The balance of the year is used for reappraisal. If additional help is needed with the new construction, the appraisers from Tonopah should assist in the process. Nye County should consider the implementation of a building permit system if only to allow the assessor a more cost effective method of discovering new construction.

Land Use and Exemption Codes: The assessor correctly uses and applies the land use and exemption codes.

Appraisal Cycle: The assessor restructured the appraisal cycle in 1993. The Pahrump area is now split into five reappraisal districts and is managed by the Pahrump staff. The remainder of the county has remained constant and is managed by the staff in the north. The parcel count is now evenly distributed throughout the cycle and is more manageable.

(8) Improvement Factoring: 2

Analysis: The assessor applies the improvement factors to replacement cost new. Nevada Revised Statute 361.260 requires application of the improvement factor "to the assessed value for the preceding year". The assessor's current method yields lower assessed values.

Recommendation: The assessor's computer program is not designed to factor assessed values. Whatever changes are necessary to the computer program to comply with NRS 361.260, should be made. The assessor has recently purchased the ADS computer program used by other counties and will correct this problem for future years.

Appraiser Certification: The assessor and seven real property appraisers are all certified. There are currently no certified personal property appraisers on staff.

Appraiser Training Requirements: The appraisers are in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 2001.

**WHITE PINE COUNTY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.9	34.8	1.9%	73
IMPROVEMENTS	34.8	34.7	2.6%	61
IMPROVED LAND	35.0	34.9	0.3%	61
VACANT	35.0	34.9	1.4%	12
SFR IMPROVEMENTS	34.7	34.5	2.2%	40
SFR LAND	35.0	34.9	0.4%	40
SFR TOTAL	34.8	34.6	1.7%	40
MULTI IMPROVEMENTS	34.4	34.7	2.1%	6
MULTI LAND	35.0	35.0	0.0%	6
MULTI TOTAL	34.5	34.7	1.5%	6
COMM & INDUSTRIAL IMPROVEMENTS	35.3	34.8	2.9%	15
COMM & INDUSTRIAL LAND	35.0	35.0	0.2%	15
COMM & INDUSTRIAL TOTAL	35.3	34.9	2.5%	15
RURAL IMPROVEMENTS	0.0	0.0	0.0%	0
RURAL LAND	0.0	0.0	0.0%	0
RURAL TOTAL	0.0	0.0	0.0%	0
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.9	2.38%	55
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	34.8	2.87%	10
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	34.5	6.65%	15
MOBILE HOMES	35.0	35.0	0.05%	30
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	2.04%	62
AIRCRAFT	35.0	35.0	0.29%	6
AGRICULTURAL	35.0	34.7	3.07%	6
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	34.9	35.4	5.18%	20
MOBILE HOMES	35.0	35.0	0.09%	30
TOTAL PERSONAL PROPERTY	35.0	34.9	2.20%	117

WHITE PINE COUNTY
1998-99 RATIO STUDY

White Pine County's reappraisal area includes the businesses and subdivisions located in the city of Ely as delineated in map Book 01. The reappraisal area contains 1,530 nonagricultural parcels. One thousand three hundred and nine of these parcels are improved. There are no agricultural parcels in the reappraisal area. The division's sample consists of 40 single-family residential (4%), 6 multi-family residential (7%), 15 commercial (9%) and 12 vacant (6%).

STUDY RESULTS

REAL PROPERTY

RATING

Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis (1)	2
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements	3
New Construction Valuation	3
Agricultural Land	N/A
Agricultural Land Records	N/A
Agricultural Land Classification Maps	N/A
Agricultural Bulletin Use	N/A
Residential Homesite Valuation	N/A
Agricultural Improvements	N/A
Deferred Taxes (2)	2
Higher Use	N/A
Agricultural Land Conversions	N/A
Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural/Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

Possessory Interest Valuation - Real & Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	3
Land Use and Exemption Codes	3
Appraisal Cycle	3
Improvement Factoring	3
Appraiser Certifications	3
Appraisers Training Requirements	3

DIVISION'S ANALYSIS AND RECOMMENDATIONS

REAL PROPERTY

Sales Collection: The assessor's main source of sales data is copies of deeds and declarations of value sent from the recorder's office. These documents are the basis of the assessor's sales data bank.

Sales Verification: The assessor uses the declaration of value as the primary method of verification. Sales verification letters are sent to the buyer and seller for additional information. The assessor also uses direct contact with buyers, sellers and real estate professionals for specific information.

Sales Database: The sales data are entered into the computer on the primary record for each parcel. A review of the sales data bank found it to be correct and complete. Sales data are included for years 1990 through 1997.

Vacant Land (excluding agricultural property): Twelve vacant properties were sampled for this study; all were within ratio parameters. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 1.4 percent.

(1) Subdivision Analysis: 2

Analysis: Nevada Revised Statute 361.227 (2) (b) directs assessors to value qualified subdivisions using the appraisal methods set out in NAC 361.229 and NAC 361.1295. Several subdivisions in White Pine County may qualify for subdivision analysis but are not currently valued as such.

Recommendation: Gather subdivision data, determine if subdivision analysis is appropriate and record the results.

Single-family Residential Land: Forty improved single-family residential land parcels were included in the study; all were within ratio parameters. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 0.4 percent.

Multi-family Residential Land: Six improved multi-family residential land parcels were included in the study; all were within ratio parameters. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 0.0 percent.

Commercial and Industrial Land: Fifteen improved commercial/industrial land parcels were included in the study; all were within ratio parameters. The commercial land values are very close to market value and reflect utilization of the sales data bank. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 0.2 percent.

Factors: The assessor's sales data bank is used when establishing land factors. The assessor has established factor areas and has a working knowledge of the factoring process. A review of several parcels in the factored area found that the land factors were correctly applied.

Single-family Residential Improvements: Forty improved single-family residential properties were included in the study. Four property ratios were not within statutory limits. Two were the result of incorrectly calculated weighted age and the other two were the result of minor differences in classification. Overall the assessor's staff is doing a good job of valuing this improvement type. The sample resulted in a median ratio of 34.7 percent and a coefficient of dispersion of 2.2 percent.

Multi-family Residential Improvements: Six improved multi-family residential properties were included in the study. One property was not within ratio parameters due to an incorrect improvement classification. The assessor's staff is doing a good job of valuing multi-family residential improvements. The sample resulted in a median ratio of 34.4 percent and a coefficient of dispersion of 2.1 percent.

Commercial and Industrial Improvements: Fifteen improved commercial/industrial properties were included in the study. The only errors discovered were minor differences in the improvement classifications. This error did result in two improvement ratios being slightly out of statutory limits. Generally the assessor's staff is doing a good job of valuing commercial/industrial improvements. The sample resulted in a median ratio of 35.3 percent and a coefficient of dispersion of 2.9 percent.

Minor Improvements: Generally the assessor's staff is identifying and correctly valuing minor improvements. Only four properties reflected errors in minor improvements.

New Construction Valuation: The division selected a sample of parcels having new construction. A review of these parcels shows that the improvements are being correctly valued and depreciated.

Agricultural Land: N/A

Agricultural Land Records: N/A

Agricultural Land Classification Maps: N/A

Agricultural Bulletin Use: N/A

Residential Homesite Valuation: N/A

Agricultural Improvements: N/A

(2) Deferred Taxes: 2

Analysis: There are 885 deferred agricultural parcels in White Pine County. The assessor's 1998 reappraisal includes all of these agricultural parcels. The assessor mails an agricultural application to each owner of agriculturally deferred property just prior to the property's reappraisal. Applications are not sent at other times, even if an ownership changes. If an agricultural parcel is sold between reappraisals the application files are not updated until reappraisal. This is incorrect.

Recommendation: Nevada Revised Statute 361A.110 requires a new application be filed when a parcel of agriculturally deferred property is sold or transferred to a new owner.

Higher Use: N/A

Agricultural Land Conversions: Two parcels totaling 55 acres were converted from agricultural use to residential or commercial/industrial use for calendar year 1997. A review of the assessor's calculation for deferred taxes found them to be correct.

Assessment Maps: The county engineer prepares the assessor's maps. They are of good quality and easy to use. In the future the county surveyor will prepare the assessor's maps.

Prescribed Parceling System: The assessor uses the prescribed parceling system. The assessor uses summary parcels on a very limited basis and only on agricultural parcels. The referral parcels are used for the convenience of the taxpayer so that they may receive only one tax bill. The assessor maintains an individual value for each parcel that belongs to the referral parcel.

PERSONAL PROPERTY

Discovery: The discovery process in White Pine County is working very well. Aircraft are primarily tracked through the Federal Aviation tail number report furnished by the federal government. Occasional inspections of the airport help ensure that any owner of aircraft located in this area is sent a declaration form. The assessor's office is aided in the discovery of businesses by the business license department of the city. In addition, the staff makes an effort to find all business operations through newspapers and periodic drive-by inspections of the city. Mobile homes are required to have an inspection from the city building department before any hookups can be turned on. This information is used by the assessor's office to locate and assess all mobile homes within the county. Only a handful of billboard and agricultural equipment accounts exist within the county and the staff is aware of them.

Record-keeping: The personal property records have continued to improve over the past two ratio studies. The files are kept in a very neat and orderly fashion. One big improvement in this year's records is that all of the personal property accounts are kept in individual folders. Aircraft are filed by tail numbers and contain the latest information on the correct acquisition cost and acquisition year of each aircraft. Business declarations are filed alphabetically with the current year's and past year's declarations enclosed. Mobile homes are now placed in individual folders and are filed in personal property account number order. The division found it very easy to locate and examine the samples included in the ratio study.

Agricultural/Business Property: This remains the largest property category in the county and demands a great deal of time to manage. The assessor and his staff have continued to do an excellent job in this area. The assessor is now using an itemized declaration that is sent to each taxpayer for review and correction. The declarations are then reviewed by the staff and changes made to the computer system. The improved declaration is of great benefit and has improved the overall system.

Mobile Homes: The mobile home property category has experienced a great improvement since the last ratio study. During the last ratio study it was determined that White Pine County was incorrectly using the year of sale as opposed to the year of manufacture for establishing the beginning year of depreciation on mobile homes. The assessor was also incorrectly using the used sale prices for original values for some mobile homes. These problems have now been corrected. To make these needed changes the staff was required to review the entire population of mobile homes and change many of the beginning dates of depreciation according to the year of manufacture. In addition, the assessor and staff have completed a sales comparison analysis for those mobile homes that did not have an original Dealer's Report of Sale. The division recognizes the time and effort that was expended by the assessor and his staff in performing this task.

Another procedure, which has been maintained by the county, is very good and should be mentioned briefly. The assessor and his staff have developed a system to track and cost minor improvements

associated with mobile homes. A separate file is maintained on all mobile home accounts, which contains the size and cost of minor improvements. These items are added to the mobile home accounts and sent out as part of the mobile home assessment. During each of the five reappraisal cycles, the appraisal staff updates these minor improvement sheets. The division endorses this method of accounting for minor improvements on mobile home parcels.

Billboards: White Pine County has only one billboard account. The assessor correctly valued this account.

Aircraft: The county has a relatively small number of aircraft. Declarations are sent to all owners each year and the new information input into the computer. Six of the nine aircraft in the county were included in the ratio study and no errors were found. The perfect ratio obtained in this property category is reflective of the good work and the manner in which the staff is managing this area.

Migratory Property: The assessor and his staff are handling migratory property in accordance with the statutes that govern this area. All businesses or other personal property, which are likely to leave the county during the tax year, are designated migratory and are assessed immediately.

The county's policy of not treating the entire class of mobile homes as migratory is correct. Mobile homes that arrive in the county after the July 1st lien date are put on the next year's tax roll in the same manner as other single-family residences.

Billing/Collection (penalties applied, seizure and sale): White Pine County does an excellent job billing and collecting the taxes due on personal property. All appropriate penalties and late fees are applied to delinquent accounts and collected from the taxpayer. No mobile home has been seized in White Pine County in the past few years.

The number of delinquent personal property accounts is very small. The staff and assessor are very diligent in the billing and collection of taxes.

OFFICE PROCEDURES

Possessory Interest Valuation - Real & Personal Property: Possessory interests valued by the assessor in White Pine County include the three cabins on Forest Service land in Sagehen Canyon. The assessor correctly valued the land and improvements. The assessor also has one possessory interest at the county airport that had a land and improvement value. The land value should be exempt in accordance with Nevada Revised Statute 361.157. The assessor corrected this item when it was brought to his attention.

Possessory Interest Valuation- Personal Property: There are no personal property possessory interests in White Pine County.

Statutes and Regulations: The Nevada Administrative Codes are available in the assessor's office. The Nevada Revised Statutes are available in the commissioner's chambers for the assessor's use. Both have been correctly updated.

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most major improvements. The estimator program is updated annually at the beginning of the work year. The October 1996 update is used for the commercial property and the September 1996 update is used for the residential property. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential handbook and two copies of the Marshall and Swift Commercial cost manuals. All of the manuals have been correctly updated.

Appraisal Records: The information in the real property record files is correct, complete and up to date. Each property record file contains a drawing and picture of the improvements, a Marshall and Swift data entry form and printout, and a miscellaneous building sheet. In addition, some information from the previous appraisals may be included. Only the information needed to identify the property and defend the appraisal is included.

Filing System: The assessor's real property record files are organized in parcel number order. This system allows for easy retrieval and is efficient to use.

Reports: All of the many reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentations: There were three appeals to the White Pine County Board of Equalization for this tax year. The assessor's staff is prepared and proficient when presenting the county's position at board of equalization hearings.

Reopened Roll Log: The roll log required by NRS 361.310 to be received on or before October 31, 1997 was received on September 29, 1997. This report was correctly completed.

Obsolescence: The assessor is keeping a list of those properties that are receiving obsolescence. There are currently nine properties in White Pine County receiving obsolescence. Most are the result of deferred maintenance. The data on each parcel is complete and the division agrees with the assessor's conclusions.

New Construction: New construction is discovered through the use of the city/county building permit system. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll but before July 1st is included on the roll log. The assessor has established an informal policy to ensure that all new construction that is at least 40 percent complete is valued and placed on the roll. However, if a new improvement is found to be less than 40 percent complete on the lien date it is not valued for the current tax year.

Land Use and Exemption Codes: The assessor correctly uses and applies the land use and exemption codes.

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this ratio study, Book 1, which is the Town of Ely, was reappraised. This area represents 18 percent of the county. In 1996, Books 2 and 3, which are East Ely and the Town of Ruth, were reappraised. This area represents 13

percent of the county. In 1995, Book 4, which is the Town of McGill, and all of Book 5 except Baker, School of the Natural Order and Cherry Creek, were reappraised. This area represents 15 percent of the county. In 1994, the General County (Book 6), which is the Town of Lund and Cherry Creek, plus all patented mines of which there are 1,154 parcels, were reappraised. This area represents 40 percent of the county. In 1998, the agricultural parcels, Baker and the School of Natural Order will be reappraised. The appraisal cycle works well for the assessor and is manageable.

Improvement Factoring: The assessor uses a composite improvement factor that includes an additional year of depreciation. This in turn incorrectly depreciates those improvements that are 50 plus years old beyond the 75 percent maximum depreciation. This is corrected on reappraisal.

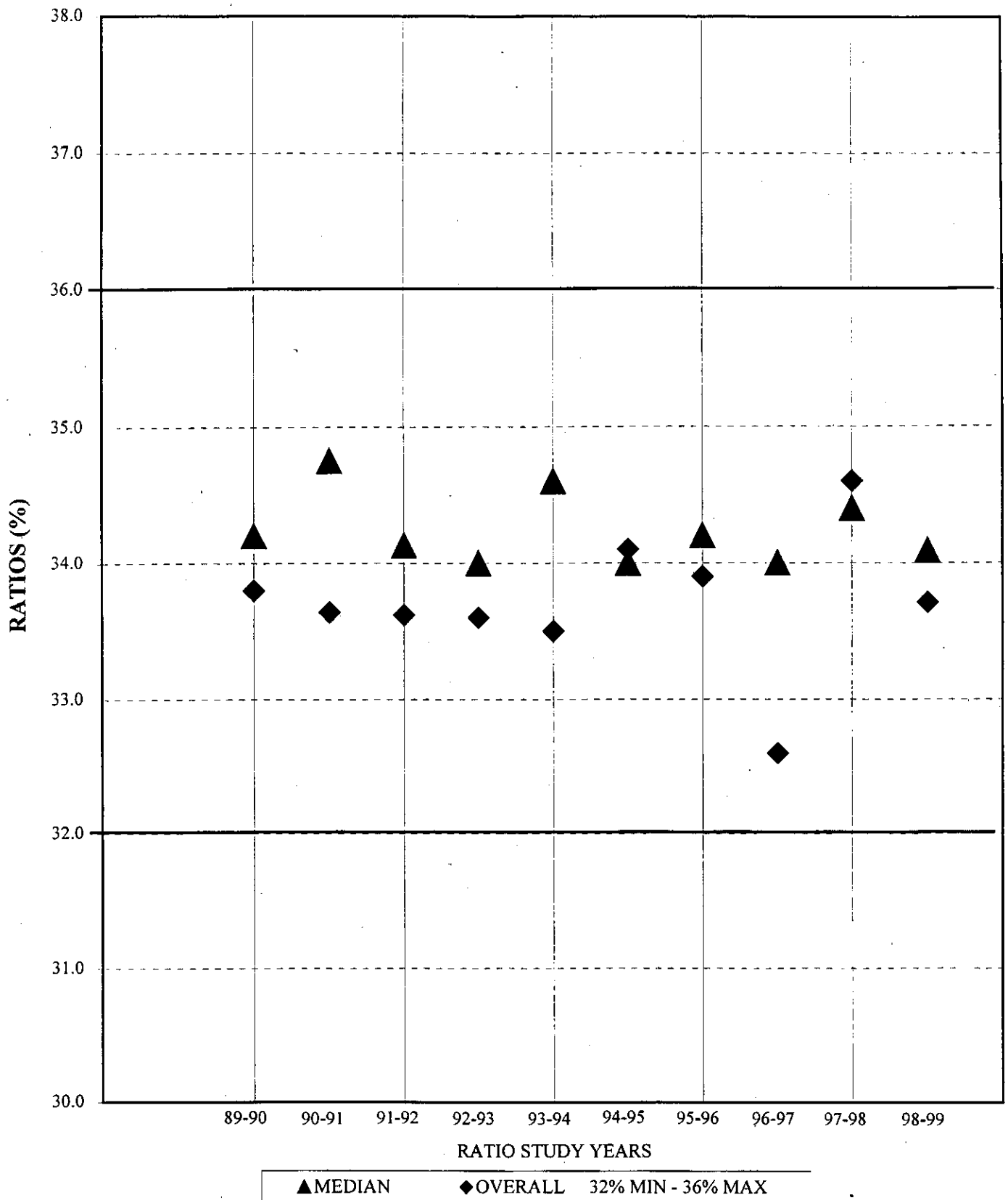
Appraiser Certifications: The assessor and four real property appraisers are all certified. There are no certified personal property appraisers on staff.

Appraisers Training Requirements: The appraisers are in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be needed by the year 2001.

**STATEWIDE SUMMARY
1998-99 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.1	33.7	5.8%	1042
IMPROVEMENTS	33.9	33.9	6.0%	894
IMPROVED LAND	35.0	33.2	8.4%	894
VACANT	34.2	33.7	4.9%	148
SFR IMPROVEMENTS	33.8	33.4	5.3%	631
SFR LAND	35.0	33.7	5.9%	631
SFR TOTAL	34.0	33.5	3.9%	631
MULTI IMPROVEMENTS	33.7	34.8	6.8%	56
MULTI LAND	35.0	35.5	5.0%	56
MULTI TOTAL	34.5	35.0	3.5%	56
COMM & INDUSTRIAL IMPROVEMENTS	34.2	34.0	8.6%	139
COMM & INDUSTRIAL LAND	34.0	32.7	5.7%	139
COMM & INDUSTRIAL TOTAL	33.8	33.7	5.2%	139
RURAL IMPROVEMENTS	35.0	33.7	4.9%	68
RURAL LAND	35.0	35.7	38.3%	68
RURAL TOTAL	35.0	34.7	26.8%	68
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.1	3.30%	499
AIRCRAFT	34.7	35.0	0.29%	3
AGRICULTURAL	35.0	35.1	3.76%	85
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.4	6.76%	117
MOBILE HOMES	35.0	34.9	1.79%	294
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	2.83%	1180
AIRCRAFT	35.0	35.0	1.75%	96
AGRICULTURAL	35.0	35.3	4.21%	50
BILLBOARDS	35.0	35.0	3.77%	30
COMMERCIAL-INDUSTRIAL	35.0	35.3	7.36%	241
MOBILE HOMES	35.0	34.9	1.40%	763
TOTAL PERSONAL PROPERTY	35.0	35.0	2.97%	1679

REAPPRAISAL AREA - ALL PROPERTY
TEN YEAR COMPARISON
MEDIAN VS OVERALL



REAPPRAISAL AREA - ALL PROPERTY TEN YEAR COMPARISON

