

STATE OF NEVADA  
DEPARTMENT OF TAXATION

2000-2001  
REPORT OF ASSESSMENT RATIO STUDY



PREPARED BY THE  
DIVISION OF ASSESSMENT STANDARDS

MAY 1, 2000

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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 four counties in this one year, six counties in the next year and seven counties in the final year of the three year cycle, with the same combination of counties being tested in succeeding 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

## 2000-01 RATIO STUDY

### REAL PROPERTY

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

### PERSONAL PROPERTY

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

### OFFICE PROCEDURES

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

**SUMMARY  
2000-01 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
<b>CLARK</b>	<b>33.6</b>	<b>33.7</b>	<b>33.4</b>	<b>33.6</b>	<b>33.6</b>	<b>33.4</b>	<b>34.0</b>	<b>33.1</b>
DOUGLAS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ESMERALDA</b>	<b>33.7</b>	<b>34.2</b>	<b>35.0</b>	<b>32.5</b>	<b>34.1</b>	<b>35.5</b>	<b>33.4</b>	<b>0.0</b>
<b>EUREKA</b>	<b>34.9</b>	<b>34.5</b>	<b>35.0</b>	<b>35.5</b>	<b>34.7</b>	<b>33.9</b>	<b>33.9</b>	<b>0.0</b>
HUMBOLDT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LANDER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LINCOLN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LYON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MINERAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NYE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>STOREY</b>	<b>35.0</b>	<b>34.8</b>	<b>35.0</b>	<b>35.0</b>	<b>34.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SUMMARY  
2000-01 RATIO STUDY  
OVERALL RATIOS

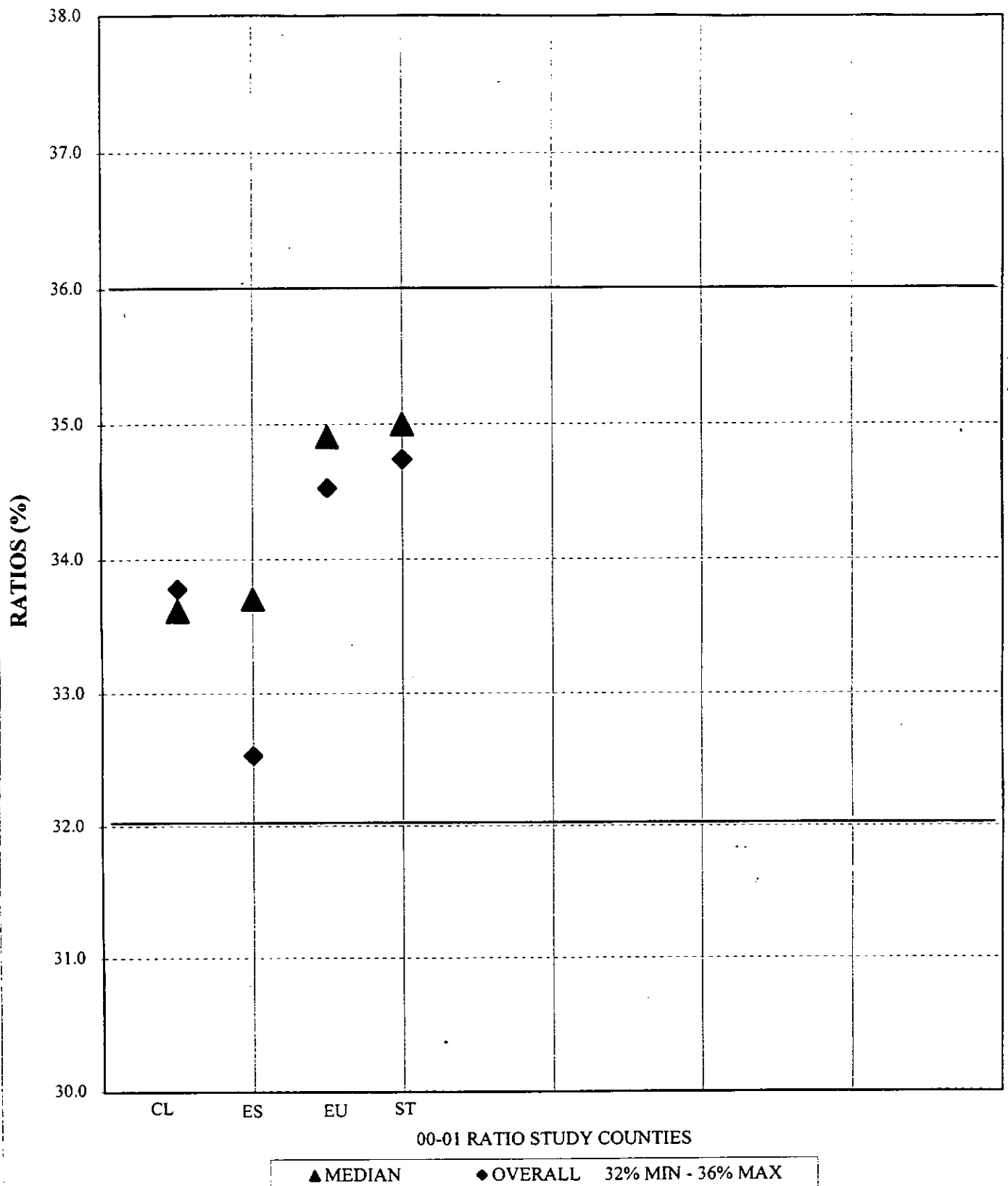
	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHURCHILL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CLARK</b>	<b>33.8</b>	<b>33.9</b>	<b>33.7</b>	<b>32.9</b>	<b>33.4</b>	<b>32.8</b>	<b>34.2</b>	<b>28.3</b>
DOUGLAS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>ESMERALDA</b>	<b>32.5</b>	<b>32.5</b>	<b>32.9</b>	<b>32.8</b>	<b>34.3</b>	<b>32.5</b>	<b>33.1</b>	<b>0.0</b>
<b>EUREKA</b>	<b>34.5</b>	<b>34.6</b>	<b>33.9</b>	<b>35.2</b>	<b>34.4</b>	<b>34.7</b>	<b>34.4</b>	<b>0.0</b>
HUMBOLDT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LANDER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LINCOLN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LYON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MINERAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NYE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>STOREY</b>	<b>34.7</b>	<b>34.8</b>	<b>34.2</b>	<b>35.1</b>	<b>34.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



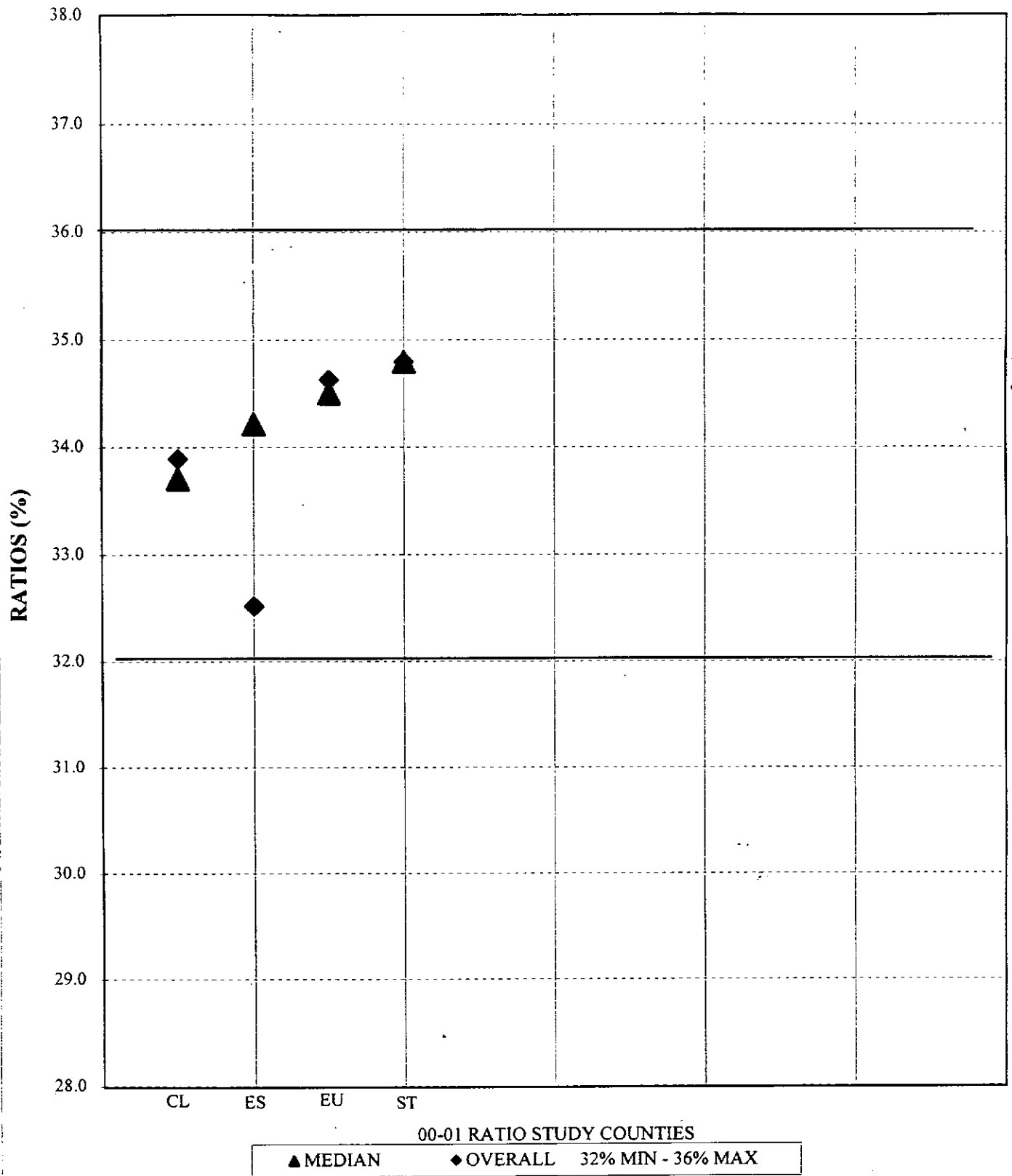
SUMMARY  
2000-01 RATIO STUDY  
COEFFICIENT OF DISPERSION

	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%
<b>CLARK</b>	<b>4.6%</b>	<b>4.9%</b>	<b>7.7%</b>	<b>4.8%</b>	<b>4.0%</b>	<b>3.3%</b>	<b>4.0%</b>	<b>60.7%</b>
DOUGLAS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ELKO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>ESMERALDA</b>	<b>3.7%</b>	<b>4.2%</b>	<b>0.9%</b>	<b>1.6%</b>	<b>2.9%</b>	<b>4.3%</b>	<b>2.9%</b>	<b>0.0%</b>
<b>EUREKA</b>	<b>2.7%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>0.8%</b>	<b>2.7%</b>	<b>1.7%</b>	<b>6.4%</b>	<b>0.0%</b>
HUMBOLDT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LANDER	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LINCOLN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LYON	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MINERAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NYE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PERSHING	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>STOREY</b>	<b>2.4%</b>	<b>3.9%</b>	<b>1.9%</b>	<b>0.9%</b>	<b>2.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
WASHOE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WHITE PINE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

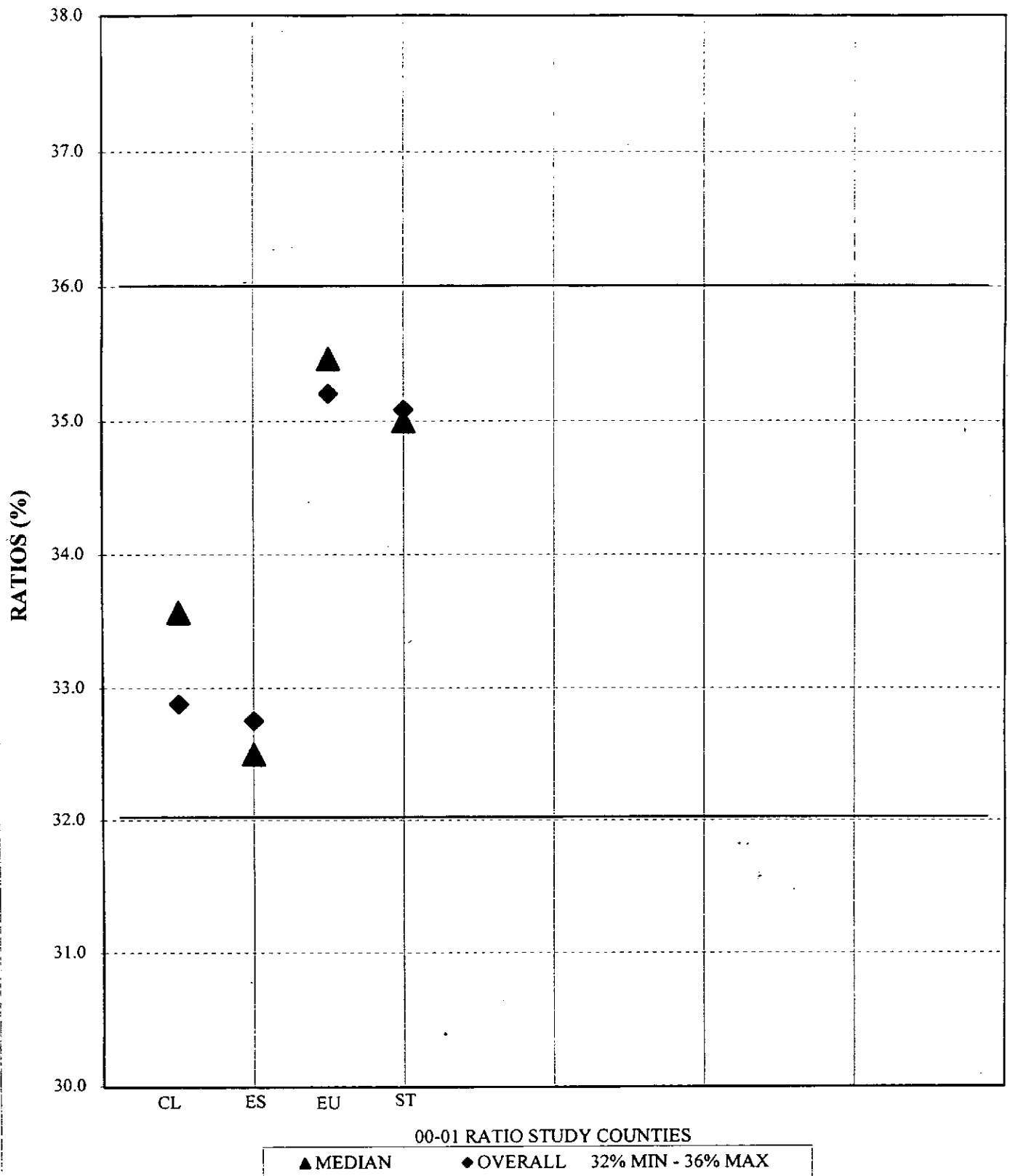
# REAPPRAISAL AREA - ALL PROPERTY MEDIAN VS OVERALL



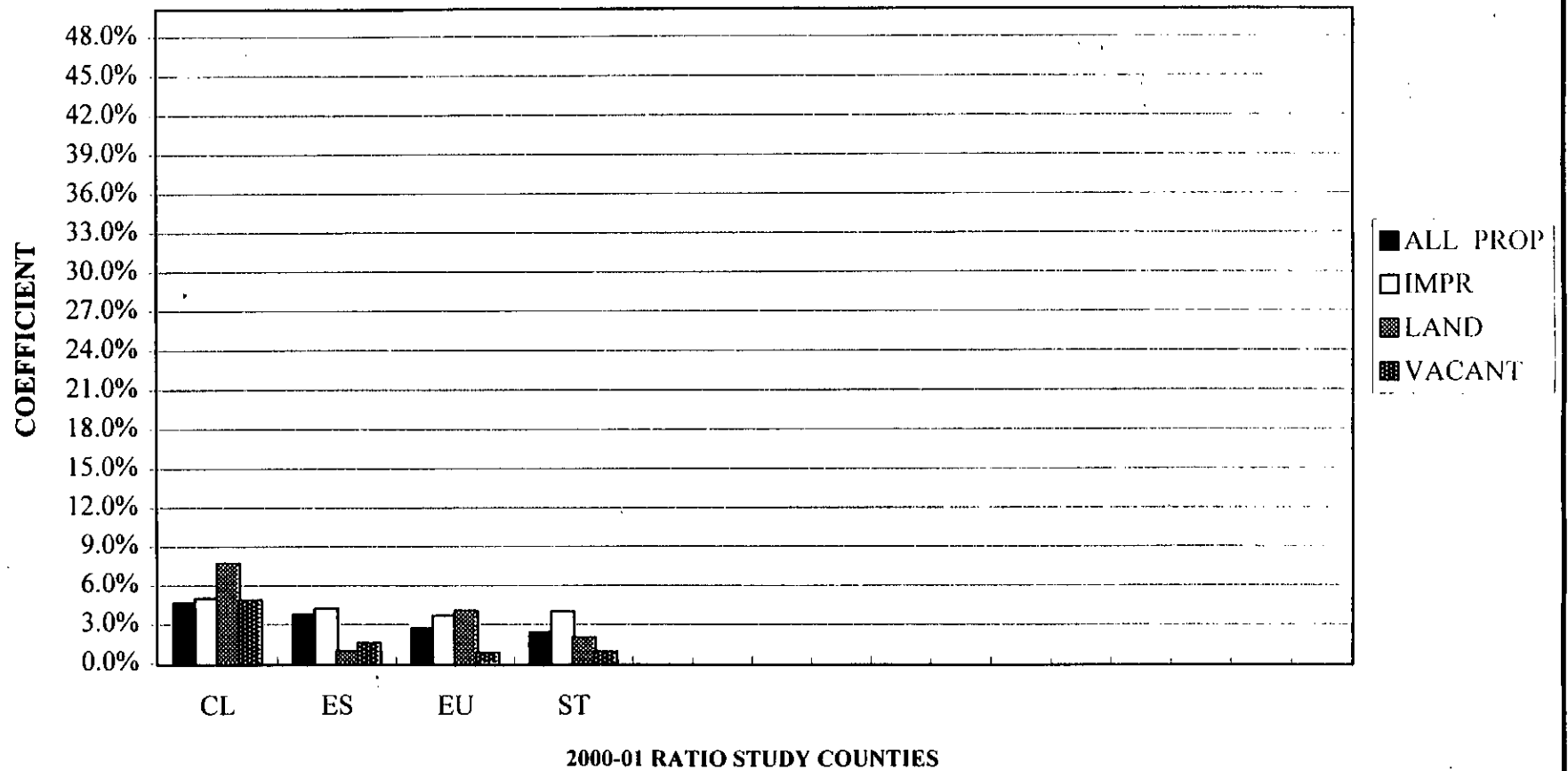
# REAPPRAISAL AREA - IMPROVEMENTS MEDIAN VS OVERALL



# REAPPRAISAL AREA - VACANT MEDIAN VS OVERALL



## REAPPRAISAL AREA COEFFICIENT OF DISPERSION



\*Eureka County Vacant Land was not included in this Ratio Study

**CLARK COUNTY  
2000-2001 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	33.6	33.8	4.6%	1203
IMPROVEMENTS	33.7	33.9	4.9%	1142
IMPROVED LAND	33.4	33.7	7.7%	1147
VACANT	33.6	32.9	4.8%	56
SFR IMPROVEMENTS	33.7	33.8	4.7%	920
SFR LAND	33.3	32.4	8.0%	920
SFR TOTAL	33.6	33.4	4.0%	920
MULTI IMPROVEMENTS	33.3	32.5	4.2%	72
MULTI LAND	33.7	33.4	4.5%	72
MULTI TOTAL	33.4	32.8	3.3%	72
COMM & INDUSTRIAL IMPROVEMENTS	34.2	34.3	4.8%	142
COMM & INDUSTRIAL LAND	33.8	34.2	4.1%	142
COMM & INDUSTRIAL TOTAL	34.0	34.2	4.0%	142
RURAL IMPROVEMENTS	27.0	23.1	46.6%	8
RURAL LAND	35.0	49.9	35.6%	13
RURAL TOTAL	33.1	28.3	60.7%	13
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	35.3	0.93%	53
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	0.01%	5
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.1	35.3	1.54%	31
MOBILE HOMES	35.0	35.0	0.01%	17
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.2	2.86%	510
AIRCRAFT	35.0	35.2	7.71%	171
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	35.0	35.0	0.14%	6
COMMERCIAL-INDUSTRIAL	35.0	35.1	1.89%	61
MOBILE HOMES	35.0	35.0	0.09%	272
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.2</b>	<b>2.68%</b>	<b>563</b>

CLARK COUNTY  
2000-01 RATIO STUDY

In 1997, Clark County began re-appraising the entire county each year. Clark County's ability to accomplish a yearly reappraisal is rooted in the use of a technology based land abstraction program and an innovative property discovery procedure using aerial photos. The replacement cost of all the improvements in the assessor's records are revalued by the mainframe computer based on the current Marshall & Swift cost tables. Land values are calculated using a technology based land abstraction program whereby improvement values obtained from the computer costing system are subtracted from sale prices of improved sales yielding residual land value estimates. Clark County is aided in the valuation and discovery process by a very comprehensive building permit reporting system that includes all of the city and county building departments. The Assessor and his staff are using this technology and these procedures to inspect and value the tremendous volume of new construction in Clark County, as well as update and revalue all the existing parcels within the county.

Due to the new assessment procedures being used in Clark County, the Department made a concentrated effort to monitor and evaluate the success of the county's yearly reappraisal method in this year's ratio study. Overall, the Department determined this new method to be quite accurate and cost effective. A few minor areas of deficiency were noted, and they will be discussed later in the body of this report. The ratio study sample includes parcels from all geographical areas of Clark County. Geographically, the area encompasses the cities of Las Vegas, North Las Vegas, Summerlin/Sun City, Henderson/Green Valley, and all of the outlying areas such as Mesquite, Glendale, Logandale, Overton, Boulder City, Laughlin, Searchlight, Sandy Valley, Good Springs, and Mt. Charleston. Ratio study samples were completed in all of these areas.

The Las Vegas valley contains the majority of the property in Clark County, and is in essence one huge city with a population of over a million. It consists of all types of property, and is anchored by "The Strip", which is dominated by resort hotels and casinos. These huge gaming properties and the tourist industry are the basis of a large and booming economy. The region consists of a broad array of land uses including older residential neighborhoods, new subdivisions, and commercial properties. A limited amount of industrial properties exist in the metropolitan area, and are largely limited to North Las Vegas and the southwest part of the city of Las Vegas. The areas outside of "The Strip" consist of residential homes, apartments, strip malls, stores, and various other commercial businesses. Numerous new housing projects are being constructed all around the periphery of the valley, and small commercial developments are being simultaneously blended into the mix. The Las Vegas area continues to grow at an unprecedented rate.

The other cities with substantial commercial development and gaming are Henderson, Mesquite and Laughlin. Because Mesquite and Laughlin are located near the state line, and are on main entrance highways from Utah and Arizona, their economy is based in large part on tourism and gaming. Both of these cities have some residential development; however, the majority of the new development is devoted to tourism and gaming.

The Mesquite area also has some rural farming around it in the town of Bunkerville, with the residential population growing at a moderate pace. 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 golf courses.

Laughlin, which is situated along the Colorado River, has seen a slight down turn in its economy and a slight decrease in property values. Currently, hotel occupancy rates in the Laughlin area are considerably down from previous years. The majority of residential properties are designed for retirement living or vacation housing. Other businesses in the area are limited to a few small stores and support industries.

Boulder City, which has existed since the construction of the Hoover Dam, is made up of mostly older residential properties and some small, older areas of commercial development. This city does not have gaming, and has a restricted growth quota with only a few building permits issued each year. The city is about 25 miles south of the Las Vegas area next to the Lake Mead recreation area. Very few sales occur in Boulder City, which seems to indicate a very stable area with little change.

Mt. Charleston is located approximately 45 miles north of Las Vegas, and is situated at the foot of Mt. Charleston (the highest mountain in the Las Vegas area). This is entirely a residential and resort area with picturesque views, mountain scenery, and some camping and sightseeing as well. Due to the limited number of parcels in the area, and the desirable location, property values in this area have recently increased dramatically.

The remaining portion of the reappraisal area consists of the very rural and small towns of Glendale, Logandale, Overton, Bunkerville, Searchlight, Good Springs, Jean, and Sandy Valley. All of these areas are small rural/farming communities with a limited economy and very small populations. Some of these areas are in transition from farming to residential use, with the primary attraction being the warm climate and rural setting.

The Las Vegas area continues to be one of the fastest growing regions in the United States. The booming tourist based economy has given no indication of slowing down over the past several years, and there is no indication that it will experience any substantial decrease in the immediate future. Since the last ratio study was completed, four new large casinos have been built, with a fifth (the Aladdin) scheduled to be completed within the next 3 months. These include the Mandalay Bay, Bellagio, Venetian, and Paris hotel casinos. The largest of these properties – the Bellagio – is valued at approximately one billion dollars. In addition, a few other smaller neighborhood type casinos have been completed since the last ratio study and several of the existing hotels and casino properties have added more rooms by building additional hotel towers. The estimated number of new hotel rooms that have been added to the Las Vegas area since the last ratio study is over 25,000. Even though this substantial increase of hotel rooms has occurred, current occupancy levels continue to be very high, with tourism and gaming numbers on the rise.

This extremely strong economy is responsible for the tremendous growth now occurring in Clark County. Estimates of population growth continue, and are currently at approximately 7,000 new residents per month. This trend is expected to continue at a similar rate into the foreseeable future. The



assessor's records indicate that approximately 50,000 new building permits are issued each year in the greater Las Vegas area. New construction activity is at an all time high, with housing projects, apartments, condominiums, and commercial projects located in almost every area of the valley where vacant land is still available. 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 reappraisal area encompassed in this ratio study included the entire county of over 440,000 parcels. Due to the number and complexity of the properties within Clark County, the division's sample is very large. The sample consists of 1,203 properties, which includes 920 single-family residential, 72 multi-family residential, 142 commercial/industrial, 13 agricultural, and 56 vacant parcels. The sample represents approximately three tenths of one percent of the total parcels in the entire county.

The sample selection process was completed in a manner that would provide a ratio study which was representative of all property types, construction types, quality types, and geographic locations within Clark County. All parcels in the county were first divided by property type, and then sorted into construction types within each property type. The total number of properties and the total value of the properties within each category were then calculated. A weighted percentage of both the total number of properties and the total value of property in each category, as compared to the entire county, were determined. This percentage was then used to establish the number of samples that would come from each category of property type and construction type. Samples were selected randomly within each of the categories. Lastly, the samples were plotted on a map of the entire county to insure that geographic coverage was maintained.

## **STUDY RESULTS**

<b><u>REAL PROPERTY</u></b>	<b><u>RATING</u></b>
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
<b>Minor Improvements (1)</b>	<b>2</b>
New Construction Valuation	3
 <b>Agricultural Land (2)</b>	 <b>2</b>
Agricultural Land Records	3
<b>Agricultural Land Classification Maps (3)</b>	<b>2</b>
Agricultural Bulletin Use	3
Residential Homesite Valuation	3
<b>Agricultural Improvements (4)</b>	<b>2</b>
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3
 Assessment Maps	 3
Prescribed Parceling System	3
 <b><u>PERSONAL PROPERTY</u></b>	
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
 <b><u>OFFICE PROCEDURES</u></b>	
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

### REAL PROPERTY

**Sales Collection:** The county recorder supplies the assessor with data concerning property transfers. Under the direction of the assessor, this data is then added to the sales data bank including the parcel numbers, sale prices, taxable values, and document numbers. A copy of each deed accompanies the printout and data information received from the recorder's office. This collection process includes approximately 50,000 sales annually; most of which are improved sales. The division examined the sales data bank, and found it to be complete and accurate. The data from the sales bank is readily available to the appraisers, and is also integrated with the Geographical Information System (GIS). By using the GIS, detailed maps can be produced plotting sales on parcel maps arrayed in a various number of combinations of types, values, etc. The division used the GIS maps supplied by the county in its own land value appraisals. These maps proved to be a most useful appraisal tool.

**Sales Verification:** Due to the large volume of sales that exist in Clark County, the task of sales verification is difficult. The assessor and his staff are doing a relatively good job of verification; however, much more could be done to insure the validity of each sale. Verification is a vital factor since nearly all of the improved sales are used in land abstraction programs to determine land value. This is especially true in residential neighborhoods. The assessor verifies vacant land sales by sending a letter/questionnaire to the grantor/grantee involved in each vacant land sale. In addition, a questionnaire is sent for all commercial sales, as well as all mobile home sales. Only 10% of all improved residential sales receive questionnaires, with a 70% return rate reported by the assessor. 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 sales coded with an "R" when conducting land abstraction programs or other land valuation analysis. While the division agrees with these procedures, it believes that more emphasis on sales verification could only 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 an historical database that can be easily accessed by the assessor's staff. The appraisal staff has made use of several software programs to improve the access and use of sale information. By using a personal computer that is networked to the mainframe computer, an appraiser can quickly print a small map of any area with the sales listed and identified on the map. Also, as previously mentioned, the current GIS system has the capability of producing many different color coded maps of any section in the county with sales information plotted on them. 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 is currently in the process of writing a new Comprehensive Assessment Program (CAP) that should be completed and operational before the next ratio study. This system will greatly enhance the use of sales data and the appraisal process.

**Vacant Land (excluding agricultural property):** Clark County has improved their land valuation

procedures since the last ratio study. The assessor and his staff have instituted a new review process for all land valuation in the county. Two senior appraisers have been charged with the task of reviewing each individual market area for consistency and correctness after the appraisers have completed their land value appraisal. These appraisers identify any errors in methodology and any areas where land values might need further revision and/or review. Because of this new approach, the division discovered that the overall land values set by the assessor were more consistent and higher. During the past ratio study, some of the vacant land values were determined to be low; however, values have improved in this category resulting in only a few outliers. Unfortunately, this review process was implemented late in the year, and could not be utilized for all areas before the close of the tax roll. The assessor and his staff are planning to begin this critical review process earlier in the next year's work cycle in order to insure that all land values are included in this process. The division agrees with this decision, and is pleased with the new land review procedure implemented by Clark County. The median ratio for vacant land is 33.6%, with a coefficient of dispersion of 4.8%. Overall, the assessor and his staff are doing an excellent job in the valuation of vacant land.

**Subdivision Analysis:** The assessor's staff properly reviews the subdivisions that are 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 conducted a review of the assessor's methods and analysis, and confirmed them to be thorough and accurate.

**Single-family Residential Land:** This category produced the most outliers (177 out of a sample group of 920) in this ratio study. These outliers are due in large part to the division using a slightly different land abstraction program (based on Marshall & Swift depreciation tables) than Clark County; however, the division found a number of areas where sufficient vacant land sales existed in order to establish accurate 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. It is also the opinion of the division that some appraisers may be relying too heavily on land abstraction values in areas where vacant land sales exist and should be used. The division reviewed these areas with the assessor's staff, and they agreed that the land values are too low in many cases. The appraisal staff has taken note of these few areas, and has agreed to review them in the future.

Consistent with the trend in many other parts of the country, Las Vegas is experiencing a significant decrease in the volume of sales of vacant residential lots. Builders and developers are not selling individual lots within a project, but are selling these parcels as improved. Due to the large number of properties to be valued, and the limited number of vacant land sales available in most areas, the appraisal staff must rely almost exclusively on the abstraction technique in order to establish land values. To establish land value estimates, the appraisal staff has divided the county into separate market areas based on geographic location, 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. The county abstraction program is based on a straight-line  $1\frac{1}{2}\%$  per year depreciation factor, starting at a maximum of 93.5% good, and decreases from this point. Once these values are abstracted from the improved sales, the computer calculates mean and median values for each designated market area. The

division agrees with this method of estimating residential land values, but does not agree with the use of the straight-line depreciation or the maximum percent good of 93.5%.

In order to verify the accuracy of this appraisal technique, the division created its own land abstraction program. This program is based on depreciation and life expectancy schedules for all classes of single-family residences as set by Marshall & Swift. This system was selected based on the fact that it utilizes a market based depreciation schedule for the improvements. Typically, the percent good figure at which a property begins its decline is about 98% using these market based tables. It is the opinion of the division that this method results in a more accurate land value estimate when using the abstraction technique.

The overall result of this comparison revealed that the land abstraction program used by the assessor was reliable and relatively accurate in establishing credible land values throughout Clark County. The differences in depreciation schedules utilized in the two programs, and the difference in the beginning percent good figures, resulted in variances in land value estimates; however, it did not cause a significant enough difference to produce outliers for the majority of the properties. Newer properties were the only type of property that created a number of outliers. The land values that were estimated by the division were higher than those estimated by the assessor for newer residences (one to five years old) due to the difference in the beginning percent good figure. It is an established fact that the most accurate land value that can be obtained from land abstraction techniques is when the property is new (i.e. the depreciation of the improvements has not, or has only just begun). Even though the assessor is usually very prudent by taking a conservative approach, it is the opinion of the division that a more aggressive approach should be taken in this case. Because the most optimal time to establish a valid and accurate land value using abstraction is when a property is new, it is thought that a higher beginning percent good figure should be utilized. The values that were developed by the assessor and the division for properties that fell outside of this newer age group were very similar. Although many outliers did occur in this category, the average, overall, and median ratios were excellent.

Considering the extremely large number of residential properties, and a lack of existing vacant sales, it is concluded that the assessor and his staff are doing a very acceptable job in this area. The median ratio for residential land is 33.3%, with a coefficient of dispersion of 8.0%. The appraisal staff is committed to making continued improvements in their land abstraction program. The new CAP system (Computerized Assessment Program), currently being developed by the assessor, will give the staff additional tools and capabilities for improving the valuation of land.

**Multi-family Residential Land:** The assessor's staff uses various methods to value multi-family properties in Clark County. The same land abstraction techniques that are used to estimate land values for single family residences are implemented for multi-family residential parcels that are held in condominium ownership. 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 study. The results were the same for the multi-family residences as with the single-family residences in that the assessor's newer property land values were slightly lower than those estimated by the division.

Several larger and medium sized apartment buildings were included in the ratio study. The assessor's staff used a per-unit value to establish the land value on apartment properties. A few good sales exist on larger projects. These are used to set an average-per-unit value. All of the land sales were reviewed and determined to be correctly analyzed and appropriate per-unit land values as assigned. The division agrees with the methodology used, and no outliers were discovered for this type of multi-family residential unit. Even though the division did not sample any extremely large multi-family complexes, it reviewed the methods used to arrive at the land values for these properties. The division confirmed that the staff is using sound methodology and good valuation techniques. The assessor and his staff are doing a good job in the valuation of multi-family residential land. The median ratio for multi-family residential land is 33.7%, with a coefficient of dispersion of 4.5%.

**Commercial and Industrial Land:** The business and commercial property values have been rising rapidly with the continually growing and evolving market that now exists in the Las Vegas area. The assessor's staff has been faced with the difficult job of determining the commercial land values in Clark County. The appraisal staff uses vacant land sales of similar type usage and similar size properties to establish land values for commercial properties. In addition, they make appropriate adjustments for major highway influence, corner locations, etc. as required. Nearly all commercial property is valued using a square foot method. The division approves of this method, and the assessor does an excellent job of verifying commercial land sales and monitoring the new developments and changes occurring in the valley.

The division plotted all vacant commercial sales in conjunction with study samples on parcel maps provided by the assessor. The division completed an analysis of the surrounding sales, and a square foot cost was established for each sample. Only three outliers occurred in this category, indicating that the county has done an excellent job with this process. The outliers that occurred have slightly lower values. The division reviewed the land values in all areas with the assessor's staff, and analyzed the sales that they used to establish the values. The division approves of the methods and techniques used to arrive at commercial land values. It should again be noted that the new land review procedure started by Clark County this year has had a positive effect on commercial land valuation. The division noted those commercial values along major streets and similar type properties were more consistent than in past studies. Commercial land values have generally been increased, and the division concurs with this trend which is in line with current market values. The median ratio for commercial/industrial land is 33.8%, with a coefficient of dispersion of 4.1%.

**Factors:** Due to a change in the statute concerning the valuation of real property, land factors were not utilized in Clark County again this year. The new statute allows the assessor the option of appraising property without physically inspecting each parcel. Because a yearly reappraisal is being conducted, the assessor has not used land factors in the county for three consecutive years.

**Single-family Residential Improvements:** The assessor's staff is confronted with a formidable task in attempting to value the large number of residential properties that exist in Clark County. Due to the predominance of this property type in the county, the division selected a large sample for the ratio study this year (920). Although the assessor and his staff are doing an excellent job of residential valuation in general, there are several small problem areas noted. Over 100 outliers were reviewed with the

assessor's staff, and the corrective changes were made where possible. Most outliers are not significantly out of statutory tolerance but have only slightly low ratios. The outliers were a result of a variety of reasons, are thought to be minor in nature, but a few of the most important areas of difference will be discussed in this section.

The first area of difference involved minor improvements, which has traditionally been an issue in Clark County due to the volume of properties, and the inability to devote any significant amount of time on each individual residential parcel. These minor improvements were often not discovered and/or valued correctly. The division consistently estimated higher values for these improvements than did the assessor. This difference usually did not cause an outlier, but it did lower the ratios of most samples by one or two percentage points. A more in-depth discussion of this topic is included in the section of this report titled "Minor Improvements".

The second area of difference revolved around the quality class of residential properties. A number of samples were given a much higher quality class by Clark County than by the division. After reviewing these types of outliers, it became apparent to both the division and the assessor's staff that most of these properties were older custom homes that were not located in subdivisions. It is the conclusion of the staff and the division that these quality classes were placed on these properties many years ago, and have not been modified to reflect the quality class standards that exist in today's houses. In the future, the assessor and his staff will review these properties with this profile in an attempt to correct some of the questionable quality classes. Most all of the typical subdivisions have been reviewed and properly quality-classed in recent years. Overall, the division agrees with the quality class assignments of most of the typical subdivisions, with very few quality class errors occurring in these areas.

A third area difference that resulted in a few outliers was that of age-weighting. This occurred in properties that had a converted garage, other separate buildings, or improvements on the property that were of a different age than the original structure. It is apparent that the additions to buildings are not a problem since almost every sample of this type was age-weighted correctly by the assessor. The division currently does a cost age-weight comparison on garage conversions, while the assessor does not. The assessor's staff has said that they intend to review this procedure in the future. In addition, the assessor's computer system will not allow separate structures such as detached garages, pools, etc. to have a different age than the home. This in turn depreciates these items incorrectly. The assessor's staff was already aware of this shortcoming, and will rectify this problem when the new CAP (Computerized Assessment Program) is completed sometime next year.

The fourth area of difference concerns mobile homes. Most mobile home samples in the study had very low ratios. This was due to the assessor's staff failing to inventory and value the minor improvements on these homes. In addition, it was discovered in the ratio study that many of the converted mobile homes were given quality classes that were extremely low and not reflective of the Marshall & Swift mobile home quality class profiles. The assessor's staff is aware of this, and suggests that the lower classes may have been retained from a time when mobile homes were classified under single-family home quality classes. It should be noted that the number of properties of this type is minimal and the value so small, that it makes this an almost insignificant item when compared to the entire county.

The fifth area of difference involves additions or buildings that were not discovered by the assessor. In

several isolated cases, the division discovered an addition or a detached garage that the assessor was unaware of, and therefore did not value. In all cases, this was an item that did not have a building permit, and was not identified by the aerial photo. The assessor's staff has indicated that new enhancements are going to be added to the system in the future, which will help eliminate this problem from occurring. It is the intent of the assessor and his staff to have each individual structure indicated by count on the computer screen parcel overlay so that any item that is either new or missing will be readily identified. The improved use of aerial photography, and a continued aggressive pursuit of building permits, should help in the effort to discover property that is being overlooked.

Lastly, the division recommends that Clark County consider using the Marshall & Swift computer estimator program for the costing of residential properties, rather than spending time downloading the Marshall & Swift tables from the cost manuals into their main-frame system. It would save the county time, as well as make it more standardized with all of the other counties that use the estimator program. It appears to be a better and faster way of doing business in today's assessment field, and has become standard practice in most areas.

After discussing the minor problem areas and some suggestions for improvement, it must be stated by the division that the Clark County assessor and his staff are doing a very good job of assessment work with regards to residential property in Clark County. With consideration given to the number of appraisals for which the assessor and his staff are responsible, and the unprecedented growth that is occurring in the Las Vegas area, the Clark County assessor and his appraisal staff are doing well just keeping ahead of the task at hand. 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 supports the assessor and his staff in leading the way in innovative methods of computer assisted mass appraisal. The median ratio for single-family residential improvements is 33.7% with a coefficient of dispersion of 4.7%.

**Multi-family Residential Improvements:** Multi-family residential improvements involve a wide array of improvement types and structures. These include duplexes, triplexes, four-plexes, apartments/condominiums, RV parks, and mobile home parks. Overall, the assessor and his staff are doing a good job of valuing and assessing this category of property. The division experienced great difficulty in comparing appraisals and matching Clark County's method of valuing multi-residential improvements that are a condominium ownership. The usual method of costing the apartment/condominium buildings by the division, and by other counties in the state, is to develop a multi-family residential estimator cost run for each building, identify differences in units, and apportion the value accordingly. However, Clark County has a combination costing system that employs the commercial manual cost tables and quality ranking to value the structure, while also using the residential cost table to cost the appliances, floor cover, plumbing, stairs, and other separate items for each individual unit. The main reason for this procedure is that the current computer system is not programmed to handle the individual costing of multi-family structures. The county's method is not incorrect, but the division would recommend the use of an estimator program instead of the input of tables into the mainframe. At the very least, it is recommended that the county be consistent by using the residential cost tables, and not the commercial cost tables, to value these multi-family residential buildings. The division would like to see Clark County change this method of appraisal when it completes its new CAP (Computerized Assessment Program) in the coming year.



In addition, the assessor's practice of costing all the square footage of an entire multi-family complex, rather than costing each apartment structure separately, is still being done incorrectly. The square footage of all of the buildings in a complex are put into one lump sum, and then a square foot cost is calculated as if these buildings are a single large structure. The correct method, as outlined by Marshall & Swift, is to cost each building separately. The method currently employed by the assessor results in an artificially low cost per square foot. Although the assessor has been costing these improvements incorrectly, the resulting value difference does not seem to be substantial because only a few outliers were discovered.

When the division first started to review the cost tables used to calculate the multi-family values, an input error was discovered that involved the wall height multiplier used in the mainframe computer. The assessor's staff was made aware of this issue, and promptly made corrections and updates to all of the effected properties before the close of the roll.

The division believes that the value for this type of property is correct, as very few outliers occurred in this category. The assessor and appraisal staff are doing a good job in this area, especially considering the constraints that are imposed by the current computer system. The median ratio for multi-family residential improvements is 33.3%, with a coefficient of dispersion of 4.2%.

**Commercial and Industrial Improvements:** The commercial and industrial sample taken by the division included 142 properties of a wide variety of types and sizes. This representative sample included 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. There were 20 outliers in this category, with a wide variety of reasons for the differences in value. Some examples of errors that occurred were a difference in occupancy, input errors on property records, low value for minor improvements, differences in the type of structure, and differences in quality class or commercial ranking. The two areas of difference that resulted in the most outliers were quality class and minor improvement valuation. Even though the county had a number of outliers due to minor improvements in this ratio study, the division believes that this area has improved considerably since the last ratio study.

Another area of improvement since the last ratio study is the discovery of improvements that are no longer in existence, and their removal from the roll. During the last ratio study, several properties were discovered with improvements that had been removed, but not stricken from the roll. This year, only one property was discovered. A fast food restaurant was removed from a commercial property site in Las Vegas, but the assessor had not removed it from the tax records because no demolition permit had been received, and it went unnoticed on the aerial photo review. This improvement was still being valued by the assessor, which caused an outlier with a very high percentage. Although this was a significant error, it seems to be an isolated incident. The division tracked about five separate samples where the buildings had been removed. The assessor deleted those improvements, and added any new improvements before the close of the tax roll year.

The assessor and his appraisal staff are using correct methods and practices in the appraisal of commercial improvements in Clark County. The division was very close in agreement on most of the

commercial samples in this year's ratio study. It is apparent that the appraisal staff is knowledgeable and competent in the inspection and valuation of commercial improvements. The median ratio for commercial/industrial improvements is 34.2%, with a coefficient of dispersion of 4.8%.

## **Minor Improvements: 2**

**Analysis:** This property category has traditionally been a problem area for Clark County. Although it still needs much improvement, and was the cause of a number of outliers, it has improved considerably from the last ratio study. The division still had outliers in all three major property categories (single-family residential, multi-family residential, and commercial/industrial), but the property type that had the most problem with minor improvement valuation was the single-family residence. This problem seems to exist with almost every residential property in the ratio study sample. Even though many samples did not become outliers, the absence of these improvements in the valuation had an overall effect of lowering the median and average ratios by one to two percentage points in the residential property category.

The most frequent types of improvements that were not valued were lawn sprinklers, yard lighting, concrete flatwork, and especially fencing. The reason for the differences in minor improvement values is a combination of errors by the appraisers, and inadequate lump sum values assigned to minor improvements by the appraisal staff. In a county as large as Clark County, 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, and realizes that it would be virtually impossible for the county assessor and his staff to measure and value all of the individual improvements. A comparison of the minor improvement values calculated by the division shows that the county is frequently low. The lump sum value for fencing that was used by the county was determined to be very inadequate. The appraisal staff indicated that they would review these lump sum values, and increase them appropriately for next year's reappraisal.

Mobile homes are one of the property types that are most effected by this omission. There were a number of very low ratios in the mobile home category due to differences in minor improvements. At present, Clark County does not have a lump sum item that is specific to mobile homes. Perhaps this will be possible in the future with the new computer system.

**Recommendation:** The division recommends that the appraisal staff review and increase the lump sum amounts being used in valuing minor improvements. The assessor and his staff should continue to train appraisers to be more diligent in the inspection and valuation of minor improvements. The division recognizes the improvement made in this category, and hopes that the appraisal staff will continue it's effort in this area.

**New Construction Valuation:** The division's sample of new construction indicated that the assessor correctly values and depreciates new improvements. Even with aerial photography, the assessor and his staff are unable to discover every improvement that was completed without a construction permit. By using the available tools of discovery, the division believes that the assessor and his appraisal staff are doing everything possible to discover and assess new construction property, and place it on the tax roll in a timely manner.

## **Agricultural Land: 2**

**Analysis:** Thirteen agricultural land parcels were included in the sample. Five were found to have ratios exceeding statutory parameters. Agricultural property is not a significant property type in Clark County with only 292 agricultural parcels in the county. The division's inspection of the samples revealed land use classification changes that were not discovered by the assessor's staff. The staff made no changes in cultivation or forage classifications from the previous year. It is noted that the assessor's staff did not visit the samples nor were aerial photos consulted to discover changes. The sample resulted in a median ratio of 35.0% and an unacceptable coefficient of dispersion of 35.6%.

**Recommendation:** The division recommends that agricultural parcels be visited during reappraisal and that available aerial photography be used to identify changes in cultivation or forage classifications. In addition, it is recommended that the agricultural appraisal staff receive training in the area of agricultural land classification.

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

## **Agricultural Land Classification Maps: 2**

**Analysis:** The appraisal files provided by the assessor did not include land classification maps. This problem was discussed in the 1998-99 ratio study, and has yet to be corrected. The assessor did have scale aerial photographs of the area taken in the fall of 1999, but failed to utilize this valuable tool to produce up-to-date and accurate appraisals of the agricultural land in the county.

**Recommendation:** The assessor should utilize the aerial photos of the agricultural lands to produce 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 higher use, and deferred taxes become due. The division recommends a complete physical reappraisal of all agricultural parcels in Clark County.

**Agricultural Bulletin Use:** The assessor valued all agricultural property using the current agricultural bulletin.

**Residential Homesite Valuation:** The assessor identified and valued residential homesites in all samples. However, when the homesite values were compared to non-agricultural neighboring parcels the homesite values were found to be significantly below those in the neighborhood. The division recommends that the assessor's staff review the homesite values during reappraisal and adjust the value to be in line with similar neighboring non-agricultural parcels pursuant to NRS 361A.140 and NRS 361.227.

## **Agricultural Improvements: 2**

**Analysis:** The division sample included 8 improved agricultural properties. Five of the samples were found to be outside of ratio parameters. The division's review of the samples indicated that all ratios were low, and that two parcels with improvements showed no improvements on the roll. In both instances, the improvements were over 10-years old. The sample resulted in a median ratio of 27.0%, with a coefficient of dispersion of 46.6%.

**Recommendation:** The division noted that both major and minor improvements on most of the subject properties were not inventoried and valued by the assessor's staff. The aerial photographs indicated the presence of some of the improvements, but the photos were not used by the assessor's staff for reappraisal. The division recommends that agricultural parcels be visited during reappraisal, and that available aerial photography be used to identify changes or additions to 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 Conversions:** The assessor had 5 parcels (96.88 acres) that were converted from agricultural use to residential or commercial/industrial use during 1999. A review of the assessor's calculation for deferred taxes found them to be correct.

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

**Assessment Maps:** The assessor's maps are prepared by the Assessor's Parcel Data Division using a Geographic Information System (GIS). The new maps are of good quality, and are easy to use. The GIS system provides the assessor with the ability to use the maps as an analytical tool.

**Prescribed Parceling System:** The assessor uses the prescribed parceling system. A review of the tax roll shows that all parcels (including exempt parcels) are listed, and that 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. This is the primary method with which new businesses are discovered. FAA reports, tenant lists from the airports, physical inspection at the airport, and an internet site called "Landings.com" are the methods used to identify aircraft located in the county. Dealer's Report of Sale (DRS) and mobile home permits are the primary methods of discovering mobile homes. In addition, the personal property staff physically visits all mobile homes (33,547) each year. They match decal and serial numbers with mobile home park lists. Aerial photos are also used to locate mobile homes in the outlying areas.

**Record-keeping:** The files in Clark County are excellent. The mobile home Dealer's Report of Sale

(DRS) 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 remains the most difficult property category to administer within Clark County. Problems noted in our previous study still persist. 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 with new items 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.

(2). When reconciling declarations, the assessor uses a FDA (fully depreciated assets) entry to account for items such as tools, older items, etc. This area has improved greatly since our last review, but still remains a problem.

The department sampled 92 accounts in this category, with 10 outliers discovered. Outliers were the result of deleted items having not been removed from the account, age life errors, real property items valued on personal property declarations, and new items appearing on the declaration that were missed when input by the assessor's staff.

The division continues to recommend 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. Measures of central tendency were 35.1% and 35.0%, with coefficients of dispersion of 1.54% and 1.89% respectively. Overall, this category has improved substantially since the Department's last review.

**Mobile Homes:** The assessor's staff does an excellent job of valuing this property category. The division sample included mobile homes with various acquisition years, and it was discovered that only one was incorrect. The one that was out of tolerance was due to an input error in the date of manufacture. All measures of central tendency were 35.0%, with coefficients of dispersion of 0.01% and 0.09% respectively. Real property items are being appraised by the real property appraisers. Communication between the real property appraisers and the personal property appraisers is good, and it does not appear that items are being missed or double assessed. Mobiles being converted to real property remain on the unsecured roll until the county receives notification from the Manufactured Housing Division of the status change.

**Billboards:** Assessment in this category is excellent. All billboard accounts reviewed are being depreciated correctly, with each billboard being entered as a separate line item. A printout is sent to the taxpayer each year for review. Of the six billboard accounts sampled, no outliers were discovered. All measures of central tendency were 35.0%, with a coefficient of dispersion of 0.14%.

**Aircraft:** Two staff members have been assessing this property category with excellent results. Of the aircraft accounts reviewed, only one outlier was discovered. This outlier was due to an input error of the acquisition year. The median ratio for this property category was 35.0%, with a coefficient of dispersion of 7.71%.

**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 1<sup>st</sup> 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 continues to be very aggressive in 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 sent approximately 3,400 "Intent to Seize" letters in the 98-99 tax year. There were 1,126 actual notices of seizure, with 12 sales of seized property. The county has two collectors who spend nearly 100% 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.

## **OFFICE PROCEDURES**

**Possessory Interest Valuation - Real Property:** Possessory interests valued by the assessor in Clark County include 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 that 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 the Lake Mead Recreation area.

**Statutes and Regulations:** The assessor has several copies of the Nevada Revised Statutes and Nevada Administrative Codes, and all have been correctly updated. The assessor is also accessing these publications through the internet.

**Cost Manuals and Systems:** The assessor uses an in-house computer costing system to value most improvements. The system is based on the Marshall & 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 four copies of the Marshall & Swift Residential and Commercial Cost Manuals. All manuals have been correctly updated. Because the computer is used to value a majority of items, most of the

manuals are used for reference only.

**Appraisal Records:** The assessor's real property appraisal records contain very little hard copy information. The majority of the files contain only 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. The computer file can also be accessed by the address and/or owner's name.

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

**Appeal Preparation and Presentations:** During this tax year, there were approximately 519 appeals to the Clark County Board of Equalization. 37 were appealed to the State 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, 1999 was received on November 2, 1999. This report was correctly completed.

**Obsolescence:** The assessor compares taxable value to sales price 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 arrange data in many different ways so that different property types and improvements that differ in age can be analyzed.

The assessor has made adjustments to 64 properties. Five properties received a reduction due to their full cash value exceeding the market value. These adjustments are reviewed during the reappraisal process, and changes are made as required. Fifty-nine 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 Valuation:** The discovery of new construction is an enormous task in Clark County. For the past few years, the county has been averaging approximately 50,000 new construction permits each year. The assessor and his staff have put a great emphasis on the discovery of new construction. The recent change in the law that allows the reappraisal of the entire county each year was to focus the majority of the assessor's efforts on valuing new construction properties, rather than revisiting all of the older properties during revaluation. This was becoming a physical impossibility considering the limited staff available, and the large number of parcels to be visited. The current effort is a concentration on the discovery of new construction through the use of extensive aerial photography and aggressively

pursuing building permits. Clark County receives these building permits on a regular basis from the building departments of various cities and entities including the county itself, Las Vegas, North Las Vegas, Boulder City, Henderson, Mesquite, and Laughlin. These permits are coded for property types and construction types, and then linked to the correct parcel number in the assessment records. The active permit remains in the system until an appraiser has cleared the permit and attached a date of completion. Items on the assessor's permit include the date that the permit was issued, a description of the type of property, the type of construction, and the last date that the parcel was inspected. Also included are a follow-up date of reinspection and a comment field for notes concerning construction progress.

The county has the ability to query the system and receive a list of permits to be worked using several different priorities. These include the issue date, the type of property, the value of the permit, etc. It should be noted that the assessor, due to staff and time constraints, places a priority on first working the permits of higher value, leaving the smaller miscellaneous permits (patios, decks, concrete flatwork, etc.) to be worked as time allows during the yearly revaluation process. Casinos and larger properties are closely tracked from the very first moment they begin construction. If construction is not complete on these properties as of the lien date, then the assessor's staff places them on the roll at the current builder's costs. Upon completion, the final value will be computed using the Marshall & Swift costing manuals. Due to an inability of accurately determining factual information on residential permits, the assessor has established an informal policy that states if a residential improvement is less than 25% complete on the lien date, it is not valued for the current tax year.

Now that the assessor is reappraising the entire county each year, the appraisal staff has been divided into five appraisal teams. Each team has the responsibility of appraising one fifth of the county. During the months of February through June, 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 on the secured roll. New construction that is discovered after the close of the roll is included on the unsecured roll.

To understand the new construction process in Clark County, a short discussion of the *secured* and *unsecured* tax rolls is in order. Under the current system, the secured tax roll is used by all of the other counties in the state to place and bill the majority of their new construction properties. This is not the case in Clark County, which places 75% to 80% of the new construction on the unsecured tax roll. It is then moved onto the secured tax roll for the coming fiscal year. This unsecured tax bill is referred to as a "supplemental" billing. This can be confusing to the taxpayer because they could possibly receive a secured bill for their land at the beginning of the new fiscal year, and an unsecured bill for their improvements within a month. This problem has been somewhat mitigated by an adjustment in the billing process by the assessor's office and treasurer's office. The treasurer now has the ability to combine the two tax bills onto a single statement, which is then sent to the taxpayer. The advantage to the assessor's office in using the unsecured roll is that it provides a longer window of time to discover and place new construction property on the tax roll. This is a great advantage in a county that is struggling to keep up with the unprecedented growth.



The division's sample of new construction indicated that the assessor correctly values and depreciates new improvements. By using the available tools of discovery, the division believes that the assessor and his appraisal staff are doing everything possible to discover and assess new construction property, and subsequently place it on the tax roll in a timely manner.

**Land Use and Exemption Codes:** The use and application of land use codes by the assessor are correct. It is the division's belief that the system could be improved by the use of a coding system for vacant land parcels that 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:** Clark County 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 allows the assessor the option of revaluing the entire county each year without physically inspecting each parcel thereby eliminating the need for an improvement factor.

**Appraiser Certifications:** Clark County has 52 appraisers which are certified in both real and personal property, one who is certified in real property only, six who are certified in personal property only, and one who has a temporary personal property certificate.

**Appraisers Training Requirements:** The assessor continues their 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 2000.

**ESMERALDA COUNTY  
2000-01 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	33.7	32.5	3.7%	28
IMPROVEMENTS	34.2	32.5	4.2%	23
IMPROVED LAND	35.0	32.9	0.9%	23
VACANT	32.5	32.8	1.6%	5
SFR IMPROVEMENTS	34.1	34.3	2.9%	13
SFR LAND	35.0	35.0	0.0%	13
SFR TOTAL	34.1	34.3	2.9%	13
MULTI IMPROVEMENTS	35.5	32.5	5.8%	7
MULTI LAND	35.0	33.0	1.8%	7
MULTI TOTAL	35.5	32.5	4.3%	7
COMM & INDUSTRIAL IMPROVEMENTS	35.0	33.6	3.4%	3
COMM & INDUSTRIAL LAND	35.0	32.1	2.8%	3
COMM & INDUSTRIAL TOTAL	33.4	33.1	2.9%	3
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
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	34.8	1.51%	38
AIRCRAFT	35.0	35.0	0.00%	3
AGRICULTURAL	35.0	35.0	0.15%	8
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	1.80%	7
MOBILE HOMES	35.0	34.6	2.17%	20
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.1	4.94%	67
AIRCRAFT	35.0	35.0	0.25%	3
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	38.4	14.96%	16
MOBILE HOMES	35.0	35.0	1.90%	48
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.0</b>	<b>3.70%</b>	<b>105</b>

**ESMERALDA COUNTY**  
**2000-2001 RATIO STUDY**

Esmeralda County's economy, like many of Nevada's mining communities, continues to be depressed and is experiencing little growth. The reappraisal area is the general county, including Book 6, (496 parcels) located in the west end of the county; and the mining camp of Gold Point in Book 3 (34 parcels). The reappraisal area represents 19.5% of Esmeralda County. Gold Point, originally named Hornsilver, was a silver mining camp located south of Goldfield off of Highway 95. The study includes 28 samples, consisting of 13 single-family residential (37%), 7 multi-family (78%), 3 commercial (47%), and 5 vacant (5%) properties.

**STUDY RESULTS**

**REAL PROPERTY**

**RATING**

Sales Collection	3
Sales Verification	3
Sales Data Base	3
Vacant Land (excluding agricultural property)	3
<b>Subdivision Analysis (1)</b>	<b>2</b>
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	No Agricultural Sample
Agricultural Land Records	"
Agricultural Land Classification Maps	"
Agricultural Bulletin Use	"
Residential Homesite Valuation	"
Agricultural Improvements	"
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/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
<b>Cost Manuals and Systems (2)</b>	<b>2</b>
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 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 is once again sending sales questionnaires to both buyer and seller of vacant land sales and any questionable sales. 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 Data Base:** The assessor processes the sales data manually from parcel maps and deeds. This year the assessor will start to utilize the sales data bank provided by the Advanced Data Systems computer program. The division believes that the use of this system will save the assessor a considerable amount of time when doing the land factor analysis and land valuation.

**Vacant Land (excluding agricultural property):** Five vacant land parcels were sampled in the 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.

### **Subdivision Analysis: 2**

**Analysis:** For the 2000-01 tax year, the assessor reviewed two subdivisions that qualified for analysis. A review of the assessor's methods, and resulting land values, showed that the assessor's analysis to be 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 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 then record the results.

**Single-family Residential Land:** Thirteen improved single-family residential properties were sampled in this study. All thirteen samples are located in Gold Point. Because Gold Point is a mining claim, there are no land values calculated; however, the land is valued as a portion of the mining claim itself.

**Multi-family Residential Land:** Seven improved multi-family residential land parcels were sampled in this study. Two of the samples are located in Book 6, and have land values on the tax roll. Both parcels were found to be within ratio parameters. Four of the samples are located in Gold Point on mining claims. Again, the land is valued as a portion of the mining claim itself.

**Commercial and Industrial Land:** Three improved commercial/industrial land parcels were sampled in this study. One parcel is located in Book 6, and has a land value on the tax roll. The ratio was well within ratio parameters. The other two samples are located in Gold Point on mining claims. Again, this land is valued as a portion of the mining claim itself.

**Factors:** This year, the assessor's sales data bank will be used extensively when factoring land. Several of the parcels were reviewed, and it was concluded that the assessor correctly applied the approved land factors.

**Single-family Residential Improvements:** Thirteen improved single family residential properties were included in the sample. Gold Point is a ghost town, with limited improvements. Most of the improvements consist of converted sheds and bunkhouses. The assessor measured and classified the improvements correctly. One sample was slightly outside ratio parameters due to a portion of the improvement being incorrectly valued. This sample resulted in a median ratio of 34.1%, with a coefficient of dispersion of 2.9%.

**Multi-family Residential Improvements:** Seven improved multi-family residential properties were included in the sample. Five of the improved parcels are located in Gold Point, which as mentioned previously, consists of converted sheds and bunkhouses. The assessor measured and classified these improvements correctly. The other two samples in Book 6, an apartment complex and a mobile home park, are located just west of Tonopah. The apartments are valued correctly; however, the mobile home park is not within ratio parameters due to an incorrectly valued water tank. This sample resulted in a median ratio of 35.5%, with a coefficient of dispersion of 5.8%.

**Commercial and Industrial Improvements:** Three improved commercial/industrial parcels were sampled in this study, and all were found to be within ratio parameters. The assessor is measuring and classifying this type of improvement correctly. This sample produced a median ratio of 35.0% and a coefficient of dispersion of 3.4%.

**Minor Improvements:** The minor improvements are shown on the assessor's drawings. With few exceptions, the minor improvements are properly identified and valued.

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

<b>Agricultural Land:</b>	No Agricultural Sample
<b>Agricultural Land Records:</b>	No Agricultural Sample
<b>Agricultural Land Classification Maps:</b>	No Agricultural Sample
<b>Agricultural Bulletin Use:</b>	No Agricultural Sample
<b>Residential Homesite Valuation:</b>	No Agricultural Sample
<b>Agricultural Improvements:</b>	No Agricultural Sample

**Deferred Taxes:** There are 52 deferred agricultural parcels in Esmeralda County. The assessor's files include a current agricultural application for each operator. The assessor requires a new updated application when the ownership changes. A review of the procedures utilized by the assessor in calculating and collecting deferred taxes revealed that the proper methodology is being used.

**Higher Use:** There are no higher use parcels on agricultural land in Esmeralda County.

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

**Assessment Maps:** The assessor's parcel maps are now updated by TNT Computer Drafting and Graphic Design. This was a much-needed change. Several of the new maps were reviewed and determined to be of good quality and easy to use.

**Prescribed Parceling System:** 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. Mobile homes are discovered through field inspections in October and April, Dealer's Reports of Sales (DRS), and trip permits. The staff conducts periodic inspections of the county and the airport in an effort to find new businesses and aircraft. 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 functioning adequately.

**Record-keeping:** Esmeralda County's record-keeping system and files are adequate. Our inspection revealed the files to be neat; however, they contained several years of declarations. As time permits, it is recommended that the staff review and dispose of any outdated material. Two years of past correspondence should be sufficient. Mobile home records are filed in individual folders by name and district with the DRS and original value documentation inside. It appears where DRS's were unavailable, the Mobile Home Lookup Book is used; however, there is no documentation to support this in the file. It was recommended during our examination that any data used to arrive at value be copied and included in the file for future reference. Business and ranch declarations are filed in individual folders by Assessor's Parcel Number (APN), with present and past year's declarations enclosed.

**Business Property:** The division's sample includes 23 accounts, 7 secured and 16 unsecured, with 4 outliers discovered. The outliers were primarily due to incorrect class life. All measures of central tendency are 35.0%, with coefficients of dispersion of 1.80% and 14.96% respectively. Overall, the assessor and staff are correctly assessing this type of property.

**Agricultural Property:** Esmeralda County has no unsecured agricultural accounts, therefore our sample consists of 8 secured accounts which is almost 50% of property in this category. None of the accounts sampled resulted in any outliers. The assessor and staff are doing a good job of assessing this type of property. The sample resulted in a median ratio of 35.0%, with a coefficient of dispersion of 0.15%.

**Mobile Homes:** Our review includes 68 accounts, 20 secured and 48 unsecured, with 6 outliers discovered. Of the accounts out of tolerance, three had no DRS or other documentation of value in the file. Two did not include accessories and one incorrectly included sales tax. The files with no documentation were of older mobiles that had been valued prior to the assessor taking office. She was therefore unaware of the method used to value these units. The assessor and staff are aware of the Department's recommendation of the use of comparable properties found in the Mobile Home Lookup Book. These outliers were addressed during our inspection and corrections were made immediately by the staff. All measures of central tendency are 35.0%, with coefficients of dispersion of 2.17% and 1.90% respectively. The assessor values real property items associated with mobile homes separately and depreciates them correctly.

**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 three aircraft exist in the county at present. All were reviewed and found to be correctly valued.

**Migratory Property:** There is no migratory property in the Esmeralda County. The assessor and her staff are aware of the correct procedures in valuing this type of property. Mobile homes entering the county after July 1, and that are likely to remain more than a year, are correctly assessed for the first time on the following tax roll.

**Billing/Collection (penalties applied, seizure and sale):** All appropriate penalties and interest are placed on delinquent accounts. No seizures of mobile homes were made during the past year; however, four "Intent-To-Seize" letters were mailed to the delinquent taxpayers. The taxes were paid prior seizure. Discussions revealed no delinquent accounts for the last fiscal year. The county has an approximate 70-75% rate of return on declarations. Those accounts not filing a personal property declaration are increased by 10% when next assessed.

## **OFFICE PROCEDURES**

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

**Possessory Interest Valuation - Personal Property:** There are 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: 2**

**Analysis:** The assessor uses the Marshall & Swift Residential computer cost estimator program to value the residential improvements. The residential estimator update is downloaded into the computer each year at the beginning of the work year. The assessor incorrectly used the December of 1998 update when the September of 1998 update should have been used. In addition, the assessor used an incorrect climate code and local multiplier. When this was brought to the assessor's attention, the September of 1998 update was downloaded, and the improvements were updated using the correct climate code and local multiplier. The assessor has two copies each of the Marshall & Swift Commercial Handbook, the Assessor's Handbook of Rural Building Costs, and the Marshall & Swift Residential Handbook. All of the manuals have been correctly updated. The assessor is now receiving updates annually for the residential and commercial manuals. There were no commercial properties in this year's reappraisal and only a few commercial buildings in Esmeralda County, therefore the assessor does not purchase the Marshall & Swift Commercial computer cost program. If a commercial estimator value is needed, the information is processed at the Eureka County Assessor's office.

**Recommendation:** The assessor must use the September updated Marshall & Swift Residential computer cost estimator program to value property and use the correct local multiplier and climate code.

**Appraisal Records:** The information in the real property record files is correct, complete, and up to date. Each property record folder contains the most recent Marshall & Swift data entry form and computer printout, as well as the prior reappraisal data entry form and computer printout. The files also contain a recent picture and drawing of the improvements. The previous data entry sheets and computer printouts are used for comparison purposes. Only the information needed to identify the property, and defend the appraisal, is included in the files.

**Filing System:** The assessor's real property 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:** For this tax year there were two 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, 1999, was received on October 30, 1999. This report was correctly completed.

**Obsolescence:** The assessor has applied obsolescence to 31 properties in Esmeralda County. The majority of these parcels were the result of sale prices that were lower than the taxable value. There were also several parcels receiving obsolescence due to their present condition. The data on each parcel is complete, and the division agrees with the assessor's conclusion.

**New Construction:** Esmeralda County has no building permit system. Therefore, the assessor must travel throughout the populated areas of the county each year to discover new improvements. 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. A review of several properties with new construction revealed that the improvements are being correctly measured, valued, and depreciated by the assessor's staff.

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

**Appraisal Cycle:** The assessor uses a five-year reappraisal cycle. During this ratio study, the assessor reappraised the General County, which includes 530 parcels in Books 3 and 6 of which 382 are patented claims. This area represents 19.5% of the county. In 1998, the Towns of Lida and Silver Peak were reappraised. This area represents 5% of the county. In 1997, the agricultural parcels in Fish Lake Valley were reappraised. This area represents 2% of the county. In 1996, all of Fish Lake Valley except the agricultural parcels was reappraised. This area represents 23% of the county. The 2000 reappraisal plan includes the town of Goldfield. This area represents 51% of the county. The existing reappraisal cycle is adequate, conforms to statutory 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 in turn incorrectly depreciates those improvements that are 50 plus years old beyond the 75% maximum depreciation. This is corrected upon reappraisal.

**Appraiser Certifications:** The assessor is the only certified real property appraiser. There is currently one staff member who is temporarily certified and is working towards permanent status.

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

**EUREKA COUNTY  
2000-01 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	34.9	34.5	2.7%	52
IMPROVEMENTS	34.5	34.6	3.6%	37
IMPROVED LAND	35.0	33.9	4.0%	37
VACANT	35.5	35.2	0.8%	15
SFR IMPROVEMENTS	35.0	34.9	2.3%	24
SFR LAND	35.0	33.5	4.9%	24
SFR TOTAL	34.7	34.4	2.7%	24
MULTI IMPROVEMENTS	33.3	34.6	3.0%	8
MULTI LAND	35.0	35.1	0.7%	8
MULTI TOTAL	33.9	34.7	1.7%	8
COMM & INDUSTRIAL IMPROVEMENTS	33.5	34.4	8.0%	5
COMM & INDUSTRIAL LAND	35.5	33.6	4.3%	5
COMM & INDUSTRIAL TOTAL	33.9	34.4	6.4%	5
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
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	34.9	0.08%	76
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	34.8	0.27%	18
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	34.9	0.15%	8
MOBILE HOMES	35.0	35.0	0.00%	50
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.0	0.04%	71
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	0.17%	17
MOBILE HOMES	35.0	35.0	0.00%	54
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.0</b>	<b>0.06%</b>	<b>147</b>

**EUREKA COUNTY  
2000-01 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	34.9	34.5	2.7%	52
IMPROVEMENTS	34.5	34.6	3.6%	37
IMPROVED LAND	35.0	33.9	4.0%	37
VACANT	35.5	35.2	0.8%	15
SFR IMPROVEMENTS	35.0	34.9	2.3%	24
SFR LAND	35.0	33.5	4.9%	24
SFR TOTAL	34.7	34.4	2.7%	24
MULTI IMPROVEMENTS	33.3	34.6	3.0%	8
MULTI LAND	35.0	35.1	0.7%	8
MULTI TOTAL	33.9	34.7	1.7%	8
COMM & INDUSTRIAL IMPROVEMENTS	33.5	34.4	8.0%	5
COMM & INDUSTRIAL LAND	35.5	33.6	4.3%	5
COMM & INDUSTRIAL TOTAL	33.9	34.4	6.4%	5
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
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	34.9	0.08%	76
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	34.8	0.27%	18
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	34.9	0.15%	8
MOBILE HOMES	35.0	35.0	0.00%	50
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.0	0.04%	71
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	0.17%	17
MOBILE HOMES	35.0	35.0	0.00%	54
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.0</b>	<b>0.06%</b>	<b>147</b>

**EUREKA COUNTY**  
**2000-2001 RATIO STUDY**

The 2000-2001 reappraisal area is the sparsely populated central portion of Eureka County south of Interstate 80. It includes Crescent Valley Town, Beowawe, and the surrounding subdivisions. The area is depressed economically due to a slowdown of mining, and many of the improved parcels, which originally included mobile homes, have been vacated over the last several years. In addition, the only retail store in the area has closed. The reappraisal area includes all of the parcels in Books 2 and 3. There are a total of 1,197 non-agricultural parcels of which 214 are improved. These parcels account for 34.9% of the 3,432 total non-agricultural parcels in Eureka County. There are no agricultural parcels in the reappraisal area. The division's sample includes a total of 52 parcels consisting of 24 single-family residential (13%), 8 multi-family residential (62%), 5 commercial (50%), and 15 vacant (2%) properties.

**STUDY RESULTS**

<b><u>REAL PROPERTY</u></b>	<b><u>RATING</u></b>
Sales Collection	3
Sales Verification	3
Sales Data Base	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	No Agricultural Sample
Agricultural Land Records	"
Agricultural Land Classification Maps	"
Agricultural Bulletin Use	"
Residential Homesite Valuation	"
Agricultural Improvements	"
Deferred Taxes	3
Higher Use	3
Agricultural Land Conversions	3
Assessment Maps	3

Prescribed Parceling System	3
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## **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
<b>Cost Manuals and Systems (1)</b>	<b>2</b>
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 gathers sales data from all deeds and declarations of value filed in the county recorder's office. These documents provide the basis for the assessor's sales data bank.

**Sales Verification:** The assessor sends verification questionnaires to all buyers and sellers of property within the county. The form requests verification of the sales price, conditions of the sale, motivation of the buyer or seller, and the date of the agreement. The assessor reports a 90% rate of return on these questionnaires. When possible, the assessor also contacts all parties to the sale by telephone. After the data is verified, the assessor adds it to the data bank and notes the sale on the parcel map.

**Sales Data Base:** The sales data base is adequate and reliable. The verified and coded sales are input into the computer where assessor and other staff can access the information. In addition, the sales data base is drawn upon to compute land factors in that portion of the county that is not being reappraised. The verified sales from the sales bank are the basis used to establish land values in the reappraisal area. The sales data base was reviewed by the division and confirmed to be complete and accurate.

**Vacant Land (excluding agricultural property):** Fifteen vacant properties were included in the sample. The median ratio in this category is 35.5%, with a coefficient of dispersion of 0.8%. There are no outliers in this category. The samples were selected primarily from the vacant subdivisions surrounding Crescent Valley Town. The statistics reveal that the county assessor has a good knowledge of the market values in the reappraisal area and is correctly assigning land values.

**Subdivision Analysis:** The assessor has reviewed all potentially qualified subdivisions in the county. In the fiscal year 2000-2001, there were no subdivisions that qualified for analysis.

**Single-family Residential Land:** Twenty-four single-family residential land parcels were included in the study. The towns and subdivisions in the reappraisal area are extremely diverse with regard to size and the availability of utilities. The area is suffering a decline in land values due to the economic downturn of mines in the area. The assessor valued smaller parcels (one acre or less) using a site value. Larger parcels were valued using a square foot value. This process produced a credible range of values in most areas. The majority of the parcels in Crescent Valley Town are one half acre in size and were assigned an accurate site value. However, the larger parcels that are valued using the square foot method have a lower overall value than the smaller single lots. Five of these larger parcels are not within tolerance due to this problem. The Department recommends that a single valuation method be used for the entire town, regardless of parcel size. The sample resulted in a median ratio of 35.0% and a coefficient of dispersion of 4.9%.

**Multi-family Residential Land:** Eight improved multi-family residential land parcels were included in the study. The same methods of valuation were used to establish land values for multi-family land as was used for single-family land; however, all were within ratio parameters. The sample resulted in a median ratio of 35.0% and a coefficient of dispersion of 0.7%.

**Commercial and Industrial Land:** Five improved commercial/industrial land parcels were included in the study. The same methods of valuation were used to establish land values for industrial/commercial land as was used for single-family and multi-family land. There is one large parcel of commercial land that is not within ratio tolerance. This was caused by the same problem mentioned in the single-family residential land section on this report. The sample resulted in a median ratio of 35.5% and a coefficient of dispersion of 4.3%.

**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 trend and must pay particular attention to any increases or decreases in value. The assessor has a good knowledge of the land factor program.

**Single-family Residential Improvements:** Twenty-four improved single-family residential properties were included in the study. All property ratios are within statutory limits. The assessor and his staff do an outstanding job of discovering and correctly valuing improvements. This is especially true given the fact that Eureka County has no building permit system. All improvements must be discovered by physically inspecting each property. The sample resulted in a median ratio of 35.0% and a coefficient of dispersion of 2.3%.

**Multi-family Residential Improvements:** Eight improved multi-family residential properties were included in the study. All properties were within statutory limits. The assessor did a good job of valuing this improvement type. The sample resulted in a median ratio of 33.3% and a coefficient of dispersion of 3.0%.

**Commercial and Industrial Improvements:** Five improved industrial/commercial properties were included in the study. One property was not within statutory limits. The division appraiser and the assessor disagreed on the current utility of an abandoned post office. The assessor valued the property as a utility building; however, a value for the concrete floor was not added to the calculation. The sample resulted in a median ratio of 33.5% and a coefficient of dispersion of 8.0%.

**Minor Improvements:** There were no deficiencies in this area. The assessor and his staff perform a complete physical inspection of each property in the reappraisal area. In several instances minor improvements such as decks and sheds were not included on the real property roll on parcels which included mobile homes. Inspection of the personal property roll determined that all of these minor improvements were included on that roll. This situation occurred on parcels where the ownership of the land was different than the ownership of the mobile home.

**New Construction Valuation:** A review of several properties with new construction revealed that the improvements are being correctly measured and valued by the assessor's staff.

**Agricultural Land:** No Agricultural Sample

**Agricultural Land Records:** No Agricultural Sample

**Agricultural Land Classification Maps:** No Agricultural Sample

**Agricultural Bulletin Use:** No Agricultural Sample

**Residential Homesite Valuation:** No Agricultural Sample

**Agricultural Improvements:** No Agricultural Sample

**Deferred Taxes:** There are 708 deferred agricultural parcels in Eureka County. The assessor's files include a current agricultural application for each operator. The assessor requires a new updated application when the ownership changes.

**Higher Use:** Eureka County has no higher use (multi-residential or commercial use) areas on



agricultural land.

**Agricultural Land Conversions:** The assessor listed five parcels totaling 975.79 acres which were converted from agricultural use to residential or commercial/industrial uses during the 1999 calendar year. In all of the cases reviewed, the assessor's calculations of deferred taxes were correct.

**Assessment Maps:** The assessor's maps have been completely entered into a Geographic Information System, and are now being maintained in house. The assessor has one employee who is responsible for maintaining the parcel maps. The assessor's maps are of good quality, and are easy to use.

**Prescribed Parceling System:** The assessor uses the prescribed parceling system. Summary parcels are used on a very limited basis, and only on agricultural parcels. 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 Eureka County staff continues to do a good job of discovering personal property located in the county. Aircraft are discovered by periodic airport checks and through FAA tail number reports. Mobile homes are found through annual field inspections, trip permits, and Dealer's Reports of Sales (DRS's) from Nevada dealers. New businesses are discovered through fictitious name applications and periodic field inspections. Agricultural personal property is located through deed changes.

**Record-keeping:** Eureka County's personal property files are very well organized and managed. All property types are filed alphabetically, color coded by district/area, and maintained in separate folders. Mobile home records are kept on index type cards with the DRS and other documentation stapled behind. Where no DRS or sale information is provided, the staff is consistent in using the Mobile Home Look-Up Book and attaching that documentation.

**Agricultural:** The assessor and staff are doing a good job of assessing this type of property. Of 19 properties in the study, 18 secured and 1 unsecured, all are within ratio tolerance. There were a few line item class life errors; however, these did not result in any outliers. Taxpayers completed and returned approximately 98% of the declarations sent on farm and ranch personal property. The sample for secured agricultural personal property resulted in a median ratio of 35.0%, with a coefficient of dispersion of 0.27%. A study was not completed for unsecured agricultural personal property because only one account exists.

**Business Property:** The staff is correctly assessing this type of property. Of 25 businesses sampled, 8 secured and 17 unsecured, no outliers were found. There are a few line item class life errors, but in general, this category is correctly assessed. The samples resulted in median ratios of 35.0%, with coefficients of dispersion of 0.15% and 0.17% respectively. Taxpayers completed and returned approximately 95% of the declarations sent on business personal property.

**Mobile Homes:** Eureka County is correctly assessing mobile homes. Of 104 properties sampled, 50 secured and 54 unsecured, none were found to be out of tolerance. All measures of central tendency are 35.0%. The staff discovers real property items during field inspections, and is correctly depreciating these items. The value is then added to the mobile home accounts prior to billing. Improvements are kept in a separate folder, and are filed by district and mobile home account number.

**Billboards:** Eureka County does not have any billboard accounts, therefore, a sample was not completed for this type of property.

**Aircraft:** There are two aircraft located in Eureka County. These accounts were reviewed, and confirmed to be assessed correctly. A ratio study of this category was not completed because only two aircraft exist in the county.

**Migratory Property:** Eureka County has migratory property entering the county occasionally. A discussion with the staff revealed that they are correctly valuing this type of property. Mobile homes entering the county after July 1, and that are likely to remain more than a year, are correctly assessed for the first time on the following tax roll.

**Billing/Collection (penalties applied, seizure and sale):** The assessor and his staff have done an excellent job of billing and collecting personal property accounts. The division's review revealed a 100% payment rate for the last tax year. No seizures have been made in several years, although five "Intent-To-Seize" letters were sent out last year. Prior to seizure, the taxpayers brought all outstanding taxes current.

## **OFFICE PROCEDURES**

**Possessory Interest Valuation - Real Property:** There are no real property possessory interests in Eureka County.

**Possessory Interest Valuation - Personal Property:** There are no personal property possessory interests in Eureka 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. The assessor is also accessing the Statutes and Regulations through the internet.

## **Cost Manuals and Systems: 2**

**Analysis:** The assessor uses the Marshall & Swift Residential and Commercial computer cost estimator programs to value nearly all of the major improvements. The September of 1998 update is being used for residential property and the October of 1998 update is being used for commercial property. An incorrect local multiplier (from an obsolete manual) was entered into the commercial estimator program resulting in several incorrect building values; however, the error was not significant enough to cause major differences. When the error was brought to the assessor's attention, those properties affected were

immediately re-valued using the correct local multiplier. The assessor has two copies of each cost manual: the Marshall & Swift Commercial Handbook, the Marshall & Swift Residential Handbook, and the Assessor's Handbook of Rural Building Costs. Both the Assessor's Handbook of Rural Building Costs and the Marshall & Swift Residential Handbook were updated correctly. The assessor did not update or use the Marshall & Swift commercial manual because there were few commercial properties in this year's reappraisal area. Commercial properties were valued using the Marshall & Swift computerized commercial cost estimator program. The assessor's Advanced Data Systems (ADS) property appraisal program, which is based on the Marshall & Swift residential manual and the Assessor's Handbook of Rural Building Costs, is used to value most minor and agricultural improvements.

**Recommendation:** The assessor must update all of the manuals on a yearly basis even if they are only to be used as a reference. The assessor will begin receiving new Marshall & Swift Residential and Commercial Cost manuals 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.

**Appraisal Records:** The information in the files is correct, complete and up to date. Each property record folder contains the most recent Marshall & Swift data entry form and computer printout, as well as the data entry form and computer printout from the last reappraisal. The files also contain a recent picture and drawing of the improvements. The old data entry sheets and computer printouts are used for comparison purposes. Only the information needed to identify the property, and defend the appraisal, is included in the files.

**Filing System:** The assessor's real property record files are organized in parcel number order by reappraisal group, and are color coded to prevent any misfiling of property records. This system works well for the assessor.

**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 only four appeals to the Eureka County Board of Equalization. These appeals were all mining properties, and were therefore defended by the Division of Assessment Standards, Centrally Assessed Properties section.

**Reopened Roll Log:** The roll log required by NRS 361.310 to be received by the division on or before October 31, 1999. The roll log submitted by Eureka County was received on July 30, 1999 and was correctly completed.

**Obsolescence:** There are no properties in Eureka County to which obsolescence is applied.

**New Construction:** Eureka County has no building permit system. Therefore, the assessor must travel throughout the populated areas of the county each year to discover new improvements. Generally, the assessor will make these surveys twice each year. Remote agricultural parcels will only be visited once every five years during reappraisal. This is because agricultural parcels change very little over time, and because the assessor can review any changes using aerial photography. 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, valued, and depreciated 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, Northern Eureka County's rural subdivisions were reappraised. This area represents 28.9% of the county. The 1998 reappraisal included the outside ranches, which has 708 parcels, and represents approximately 15% of the county. The 1997 reappraisal included a portion of Book 7. This involves the Diamond Valley Weed Control District, and represents approximately 7% of the county. In 1996, approximately 11% of the county was reappraised including the Town of Eureka. The 2000 reappraisal plan includes Books 4, 5, 6, 7 and 8, except districts 030 and 050 in Book 7. This area represents approximately 39% of the county. The existing reappraisal cycle is adequate, conforms to statutory requirements, and is manageable with the available personnel.

**Improvement Factoring:** The assessor separately codes those parcels with improvements that are 50 plus years old. To avoid an additional year of depreciation, these improvements are factored with the statewide improvement factor. The composite factor, which includes an additional year of depreciation, is applied to those improvements that are less than 50 years of age.

**Appraiser Certifications:** The division has certified the assessor and two real property appraisers to appraise for ad valorem tax purposes. In addition, the chief deputy is certified in the valuation of personal property.

**Appraisers Training Requirements:** All of the Eureka County appraisers are presently in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required by the year 2001.

**STOREY COUNTY  
2000-01 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	35.0	34.7	2.4%	45
IMPROVEMENTS	34.8	34.8	3.9%	36
IMPROVED LAND	35.0	34.2	1.9%	36
VACANT	35.0	35.1	0.9%	9
SFR IMPROVEMENTS	34.8	34.8	3.9%	36
SFR LAND	35.0	34.2	1.9%	36
SFR TOTAL	34.8	34.7	2.7%	36
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	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
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	35.0	0.19%	26
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	0.05%	3
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	0.60%	8
MOBILE HOMES	35.0	35.0	0.00%	15
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.0	1.15%	89
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	35.0	35.0	0.00%	3
COMMERCIAL-INDUSTRIAL	35.0	35.0	3.31%	26
MOBILE HOMES	35.0	35.0	0.27%	60
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.0</b>	<b>0.93%</b>	<b>115</b>

**STOREY COUNTY**  
**2000-2001 RATIO STUDY**

Storey County's reappraisal area is the Virginia City Highlands, which is located south and west of Reno near the top of Geiger Grade. The parcels range from one to under ten acres in size, the majority of which are approximately one acre. Most homeowners in this area commute to Reno for employment. This year's reappraisal area consists of 959 non-agricultural parcels (690 vacant) and no agricultural parcels. The division's appraisers studied 36 single-family residential (13.38%) and 9 vacant (1.30%) properties. Other property types are not represented in the reappraisal area.

**STUDY RESULTS**

<b><u>REAL PROPERTY</u></b>	<b><u>RATING</u></b>
Sales Collection	3
Sales Verification	3
Sales Data Base	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	No Agricultural Sample
Agricultural Land Records	"
Agricultural Land Classification Maps	"
Agricultural Bulletin Use	"
Residential Homesite Valuation	"
Agricultural Improvements	"
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/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 receives copies of deeds and declarations of value from the county recorder. These documents are the basis for the assessor's sales data bank.

**Sales Verification:** Verification of sales is done by questionnaires, review of title company files, declarations of value, and interviews with buyers, sellers, and real estate professionals.

**Sales Data Base:** As the sales data is obtained through the verification process, it is entered into the data bank. The assessor then sends the division a sales data sheet containing all the information for the new sales. A review of the data shows it to be accurate and complete. The assessor's sales data bank provides the information needed for the land factor analysis and land valuation.

**Vacant Land (excluding agricultural property):** Statistics for the 9 vacant samples are good, with no outliers. Approximately 40 Virginia City Highland sales, from 1998 and 1999, were analyzed. A base value was established using these sales, and adjustments were made for individual characteristics.

**Subdivision Analysis:** The assessor has analyzed all qualified subdivisions in Storey County. Currently there are 7 subdivision ownerships that have qualified for analysis. The assessor's staff calculated and applied the appropriate land values as directed by NAC 361.129. A review of the assessor's backup material found the method used, and the resulting values, to be correct.

**Single-family Residential Land:** This study included a sample of 36 improved single-family residential land parcels. All were determined to be within ratio parameters. The sample resulted in a median ratio of 35.0% and a very acceptable coefficient of dispersion of 1.9%.

**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:** Mark Twain 40 acre lots and a portion of Iron Mountain Subdivision, both located east of Virginia City, are the only areas that received factors for the 2000-2001 tax year. Several parcels were reviewed, and it was determined that the assessor correctly applied the approved land factor.

**Single-family Residential Improvements:** Thirty-six improved single-family properties were sampled in this study. Three property ratios were not within statutory limits. One was the result of the division discovering an improvement that was not included in the assessor's appraisal. Another resulted from a difference in the type of foundation. The third was due to a difference in quality class and square footage. Overall, the assessor's staff is measuring and classifying this type of improvement correctly. The sample produced a median ratio of 34.8% and a coefficient of dispersion of 3.9%.

**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:** All minor improvements were identified by the assessor and valued from either the Marshall & Swift cost manuals or the Assessor's Handbook of Rural Building Costs. The assessor costs each improvement individually rather than using lump sum values.



**New Construction Valuation:** A review of several properties with new construction revealed that the improvements are being correctly measured and valued by the assessor's staff.

**Agricultural Land:** No Agricultural Sample

**Agricultural Land Records:** No Agricultural Sample

**Agricultural Land Classification Maps:** No Agricultural Sample

**Agricultural Bulletin Use:** No Agricultural Sample

**Residential Homesite Valuation:** No Agricultural Sample

**Agricultural Improvements:** No Agricultural Sample

**Deferred Taxes:** There are 43 deferred agricultural parcels in Storey County. The assessor's files include a current agricultural application for each operator. The assessor requires a new updated application when the ownership changes. A review of the procedures utilized by the assessor in calculating and collecting deferred taxes confirmed that the proper methodology is being applied.

**Higher Use:** Storey County has no higher use (multi-residential or commercial use) areas on agricultural land.

**Agricultural Land Conversions:** The assessor listed 6 parcels totaling 614.04 acres which were converted from agricultural use to residential or commercial/industrial uses during the 1999 calendar year. In all of the cases reviewed, the assessor's calculations of deferred taxes were correct.

**Assessment Maps:** The assessor's maps are now being professionally drawn by TNT Computer Drafting and Graphic Design of Gardnerville. At the time of the division's review, the few maps that were completed were of good quality and easy to use.

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

## **PERSONAL PROPERTY**

**Discovery:** The Storey County assessor and staff do a good job of locating personal property within the county. Mobile homes are discovered through Dealer's Reports of Sales (DRS's) from Nevada dealers, moving permits from other counties, and through building permits for mobile home hookups. Businesses are discovered through business license printouts, a list of approved businesses from county commissioner's meetings, newspapers, telephone directories, and field inspections. Farm and ranch personal property is discovered through new agricultural applications, deed changes, and field reviews.

**Record-keeping:** Storey County's record keeping system functions adequately. Mobile homes are filed alphabetically by taxing district on separate index cards. Each mobile home card has the DRS and other valuation documentation attached. All business declarations are contained in one file folder per year and filed alphabetically. Agricultural accounts are also contained in one folder per year and filed alphabetically. There are no aircraft or billboard accounts in Storey County.

**Agricultural Property:** Storey County has six secured agricultural accounts. The division included three accounts in the study. Storey County does not have any unsecured agricultural accounts. The sample of secured agricultural accounts resulted in a median ratio of 35.0%, with a coefficient of dispersion of 0.05%. The assessor and staff are correctly assessing this type of property.

**Business Property:** The division's sample included 34 accounts, 8 secured and 26 unsecured, with three samples out of tolerance. The outliers noted were due to incorrect class life assignments. One account had a single acquisition cost for several items purchased in the same year, but with various class lives. Another account included consumables (office supplies) which are exempt. We also noted, on several accounts that prior assessments for non-filing of a declaration should have been removed but were still being assessed. The staff was made aware of this, and corrections were made to the various accounts. All measures of central tendency are 35.0%, with coefficients of dispersion of 0.60% and 3.31% respectively.

**Mobile Homes:** The assessor and staff are correctly assessing this type of property. Our sample included 75 mobile homes, 15 secured and 60 unsecured, with one property sample out of tolerance due to the incorrect use of value from a used DRS. The sample resulted in a median ratio of 35.0%, with coefficients of dispersion of 0.00% and 0.27% respectively. The staff is correctly valuing and depreciating the minor improvements associated with mobile homes, and then adding the minor improvement value to the assessed value of the mobile home.

**Billboards:** A ratio study could not be conducted on this type of property because only one billboard is located in Storey County. This billboard was reviewed, and is being assessed correctly.

**Aircraft:** There are no aircraft located in Storey County, therefore a ratio study was not conducted for this type of property.

**Migratory Property:** Storey County does not have any migratory property. Mobile homes entering the county after July 1, and that are likely to remain more than a year, are correctly assessed for the first time on the following tax roll.

**Billing/Collection (penalties applied, seizure and sale):** All appropriate penalties and interest are added to delinquent accounts. The assessor has not seized any personal property during the past year. The total of delinquent personal property accounts, including penalties and interest prior to the 99-00 billing cycle, is approximately \$6,364. Those accounts not filing a personal property declaration are increased by 10% when next assessed.

## **OFFICE PROCEDURES**

**Possessory Interest Valuation - Real Property:** There are no real property possessory interest properties in Storey County.

**Possessory Interest Valuation - Personal Property:** There are no personal property possessory interest properties in Storey 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 & Swift computer cost estimator programs to value the majority of the major improvements. The estimator updates are downloaded into the computer once each year at the beginning of the work year. The September of 1998 update is used for residential property and the October of 1998 update is used for the commercial property. The assessor has one copy each of the Marshall & Swift Residential Handbook, the Marshall & Swift Commercial Cost Manual, and the Assessor's Handbook of Rural Building Costs. All of these manuals have been correctly updated. During this reappraisal, the assessor used the property appraisal system based on the Marshall & Swift cost manuals and the Assessor's Handbook of Rural Building Costs, to value the minor improvements. This system has proven to be very beneficial in processing and valuing the improvements.

**Appraisal Records:** The information in the files is correct, complete, and up to date. Each property record folder contains the most recent Marshall & Swift data entry form and computer printout, as well as the prior reappraisal data entry form and computer printout. The files also contain a recent picture and drawing of the improvements. The old data entry sheets and computer printouts are used for comparison purposes. Only the information needed to identify the property, and defend the appraisal, is included in the files.

**Filing System:** The assessor's real property files are organized by area in parcel number order. This system is acceptable. However, the division recommends that the real property files be organized strictly in parcel number order as done 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 three appeals to the Storey County Board of Equalization and one appeal to the State Board of Equalization.

**Reopened Roll Log:** The roll log is required by NRS 361.310 to be received by the division on or before October 31, 1999. The roll log submitted by Storey County was received on July 9, 1999 and was completed correctly.

**Obsolescence:** The assessor has applied obsolescence to six properties in Storey County. The Storey County Board of Equalization reduced one of these properties as a result of its present condition. Another property receiving obsolescence is a mill site that is not presently in use. There is also a property receiving obsolescence due to its location, and three other properties receiving a functional obsolescence because of their present condition. The division reviewed the data on these parcels and found the assessor's method and final value to be supportable.

**New Construction:** New construction is discovered through the use of the county building permit system. New permits are organized by area, and then the improvements are inspected and valued throughout the 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, valued, and depreciated 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, Area 4, which is the Virginia City Highlands, was reappraised. This area represents approximately 22% of the county. The 1998 reappraisal included Area 3, which is the Highland Ranchos and the lower portion of Gold Hill, and represents 18% of the county. The 1997 reappraisal included the Virginia Ranches, the Outside County, and Rainbow Bend, which represents 31% of the county. In 1996, approximately 26% of the county was reappraised. This is known as Area 1 and includes Virginia City and Gold Hill. The 2000 reappraisal plan includes Mark Twain Estates and the Outside River areas. The existing reappraisal cycle conforms to statutory requirements, and is manageable with the available personnel.

**Improvement Factoring:** The assessor uses the statewide improvement factor. Each parcel is factored and depreciated individually. No properties are depreciated beyond the 75% maximum.

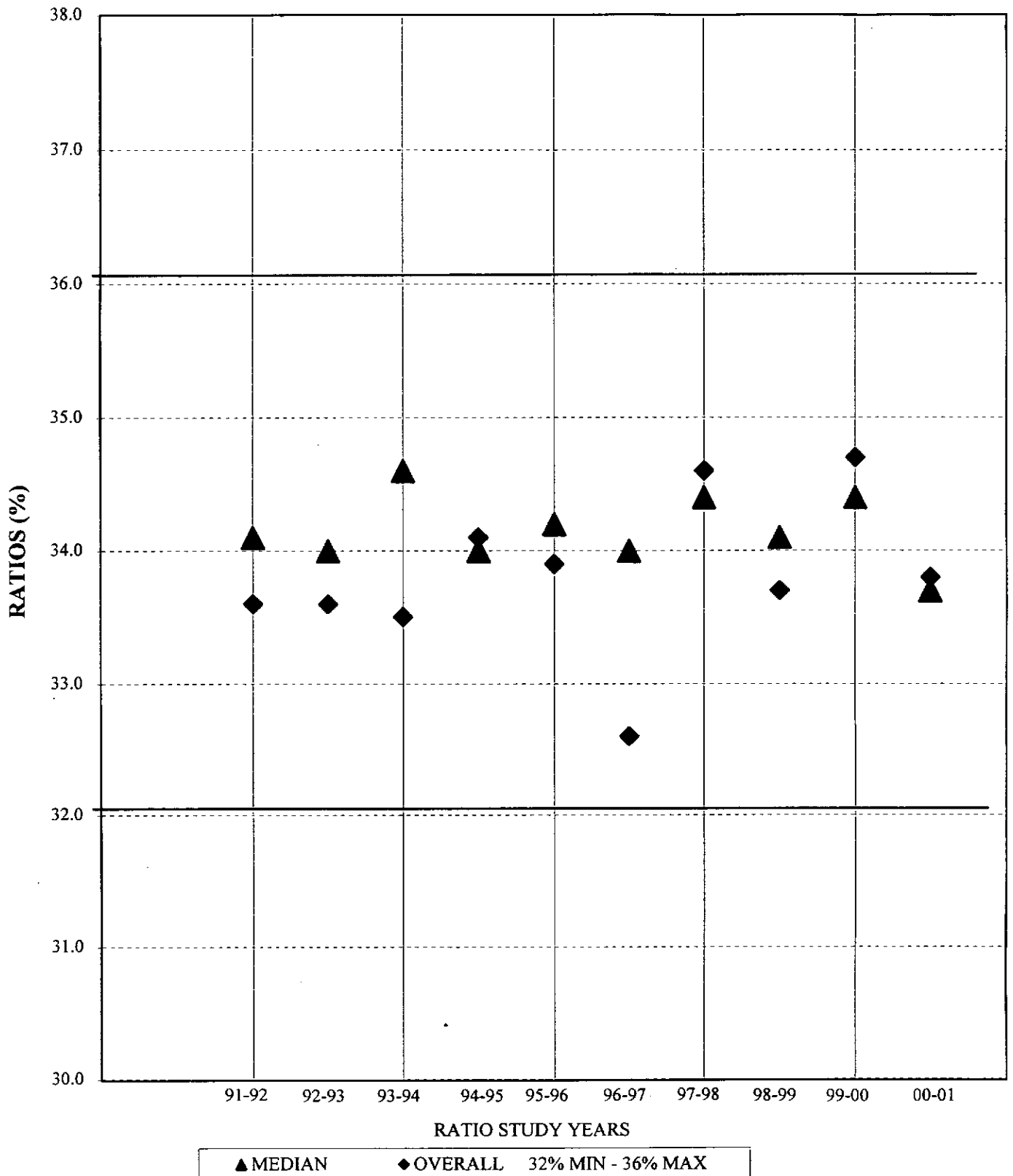
**Appraiser Certifications:** The division has certified the assessor as a real property appraiser for ad valorem tax purposes.

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

**STATEWIDE SUMMARY  
2000-2001 RATIO STUDY**

<b>REAL PROPERTY</b>	<b>MEDIAN RATIO</b>	<b>OVERALL RATIO</b>	<b>C.O.D. MEDIAN</b>	<b>SAMPLE SIZE</b>
ALL PROPERTY	33.7	33.8	4.6%	1328
IMPROVEMENTS	33.8	33.9	4.9%	1238
IMPROVED LAND	33.7	33.7	7.4%	1243
VACANT	34.8	32.9	4.1%	85
SFR IMPROVEMENTS	33.8	33.8	4.6%	993
SFR LAND	33.4	32.4	7.7%	993
SFR TOTAL	33.7	33.4	4.0%	993
MULTI IMPROVEMENTS	33.3	32.5	4.3%	87
MULTI LAND	34.3	33.5	4.3%	87
MULTI TOTAL	33.6	32.8	3.3%	87
COMM & INDUSTRIAL IMPROVEMENTS	34.2	34.3	4.9%	150
COMM & INDUSTRIAL LAND	33.9	34.2	4.2%	150
COMM & INDUSTRIAL TOTAL	33.9	34.2	4.1%	150
RURAL IMPROVEMENTS	27.0	23.1	46.6%	8
RURAL LAND	35.0	49.9	35.6%	13
RURAL TOTAL	33.1	28.3	60.7%	13
<b>SECURED PERSONAL PROPERTY</b>				
ALL SECURED	35.0	35.1	0.61%	193
AIRCRAFT	35.0	35.0	0.00%	3
AGRICULTURAL	35.0	34.9	0.19%	34
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.1	1.25%	54
MOBILE HOMES	35.0	35.0	0.43%	102
<b>UNSECURED PERSONAL PROPERTY</b>				
ALL UNSECURED	35.0	35.1	2.57%	737
AIRCRAFT	35.0	35.2	7.58%	174
AGRICULTURAL	0.0	0.0	0.00%	0
BILLBOARDS	35.0	35.0	0.11%	9
COMMERCIAL-INDUSTRIAL	35.0	35.1	3.70%	120
MOBILE HOMES	35.0	35.0	0.30%	434
<b>TOTAL PERSONAL PROPERTY</b>	<b>35.0</b>	<b>35.1</b>	<b>2.17%</b>	<b>930</b>

# REAPPRAISAL AREA - ALL PROPERTY TEN YEAR COMPARISON MEDIAN VS OVERALL



## REAPPRAISAL AREA - ALL PROPERTY TEN YEAR COMPARISON

