

STATE OF NEVADA
DEPARTMENT OF TAXATION

2001-2002
REPORT OF ASSESSMENT RATIO STUDY



PREPARED BY THE
DIVISION OF ASSESSMENT STANDARDS

MAY 7, 2001

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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 ration 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 save 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 under-assessed or over-assessed 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 non-reappraisal 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 recommended 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

2001-02 RATIO STUDY

REAL PROPERTY

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

PERSONAL PROPERTY

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

OFFICE PROCEDURES

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

**SUMMARY
2001-02 RATIO STUDY
MEDIAN RATIOS**

	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHURCHILL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CLARK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DOUGLAS	35.0	35.0	35.0	35.0	35.0	35.0	34.9	0.0
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESMERALDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EUREKA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUMBOLDT	33.8	33.9	34.0	33.5	33.8	34.8	0.0	0.0
LANDER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LINCOLN	34.2	33.9	35.1	34.3	34.1	0.0	34.2	0.0
LYON	35.0	35.1	35.0	35.0	35.1	34.9	34.5	35.0
MINERAL	34.8	34.6	35.0	35.4	34.4	0.0	34.7	0.0
NYE	34.7	34.4	35.0	35.4	34.5	34.8	34.4	0.0
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STOREY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SUMMARY
2001-02 RATIO STUDY
OVERALL RATIOS

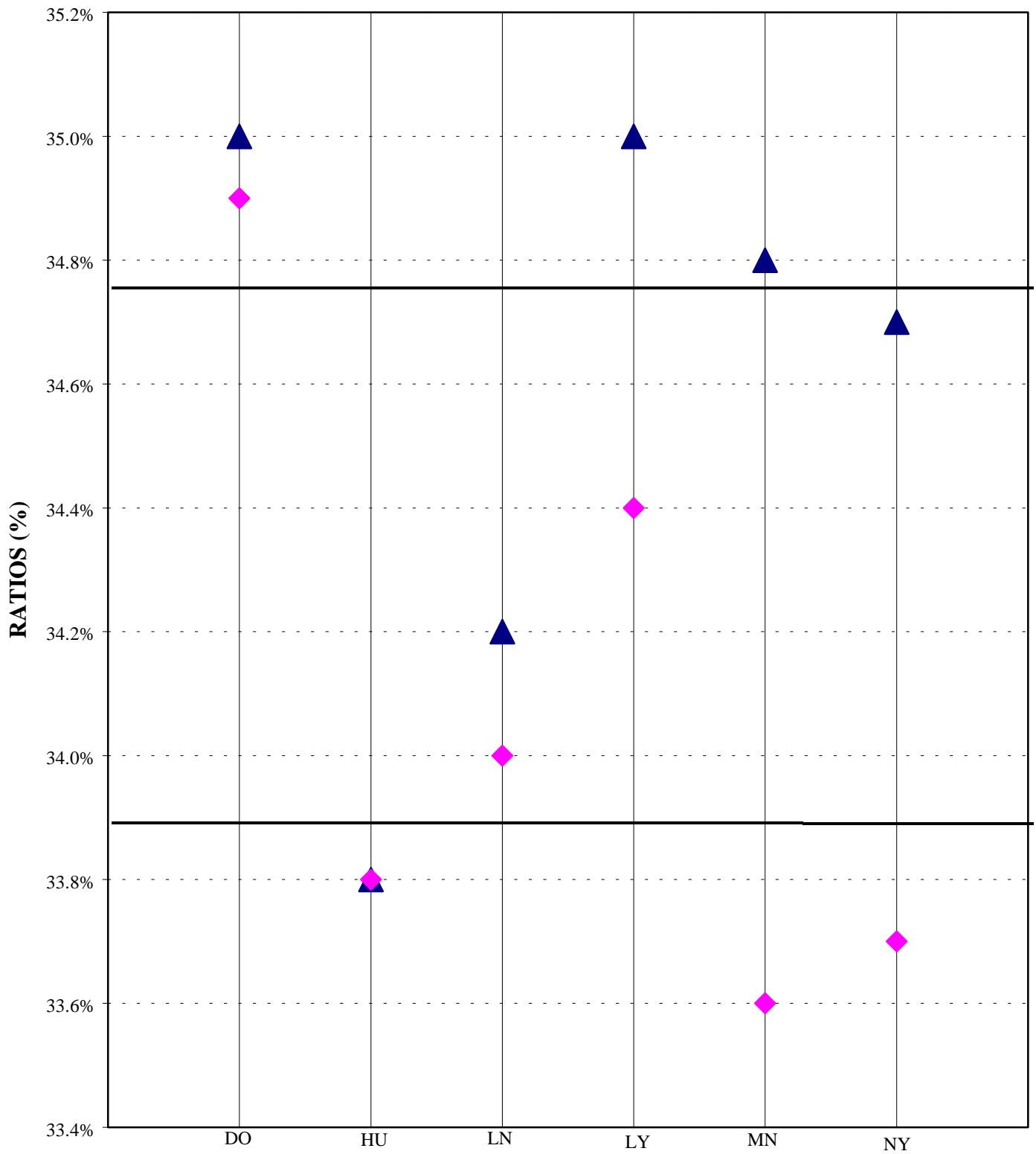
	ALL PROP	IMPR	LAND	VACANT	SFR	MULTI	COMM IND	RURAL
CARSON CITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHURCHILL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CLARK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DOUGLAS	34.9	35.1	34.8	34.9	34.9	34.5	34.9	0.0
ELKO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ESMERALDA	32.5	32.5	32.9	32.8	34.3	32.5	33.1	0.0
EUREKA	34.5	34.6	33.9	35.2	34.4	34.7	34.4	0.0
HUMBOLDT	33.8	33.7	34.0	34.0	33.7	34.5	0.0	0.0
LANDER	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LINCOLN	34.0	33.9	34.7	34.4	34.0	0.0	34.0	0.0
LYON	34.4	34.4	34.4	34.6	34.8	34.8	33.5	34.9
MINERAL	33.6	33.3	34.5	35.4	33.7	0.0	33.2	0.0
NYE	33.7	33.4	34.9	35.2	33.8	33.3	33.8	0.0
PERSHING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STOREY	34.7	34.8	34.2	35.1	34.7	0.0	0.0	0.0
WASHOE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WHITE PINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

SUMMARY
2001-02 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%
CLARK	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DOUGLAS	0.9%	1.1%	1.0%	1.5%	80.0%	1.2%	0.2%	0.0%
ELKO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ESMERALDA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EUREKA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HUMBOLDT	3.2%	5.8%	2.0%	2.9%	3.4%	2.1%	0.0%	0.0%
LANDER	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LINCOLN	3.3%	4.1%	1.8%	3.5%	3.2%	0.0%	3.5%	0.0%
LYON	2.3%	3.1%	4.7%	1.6%	2.4%	2.1%	2.7%	1.9%
MINERAL	5.4%	7.8%	2.4%	7.0%	6.8%	0.0%	6.5%	0.0%
NYE	3.0%	4.0%	1.2%	0.8%	3.1%	2.7%	3.5%	0.0%
PERSHING	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
STOREY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WASHOE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WHITE PINE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

REAPPRAISAL AREA - ALL PROPERTY

MEDIAN VS OVERALL



01-02 RATIO STUDY COUNTIES



MEDIAN

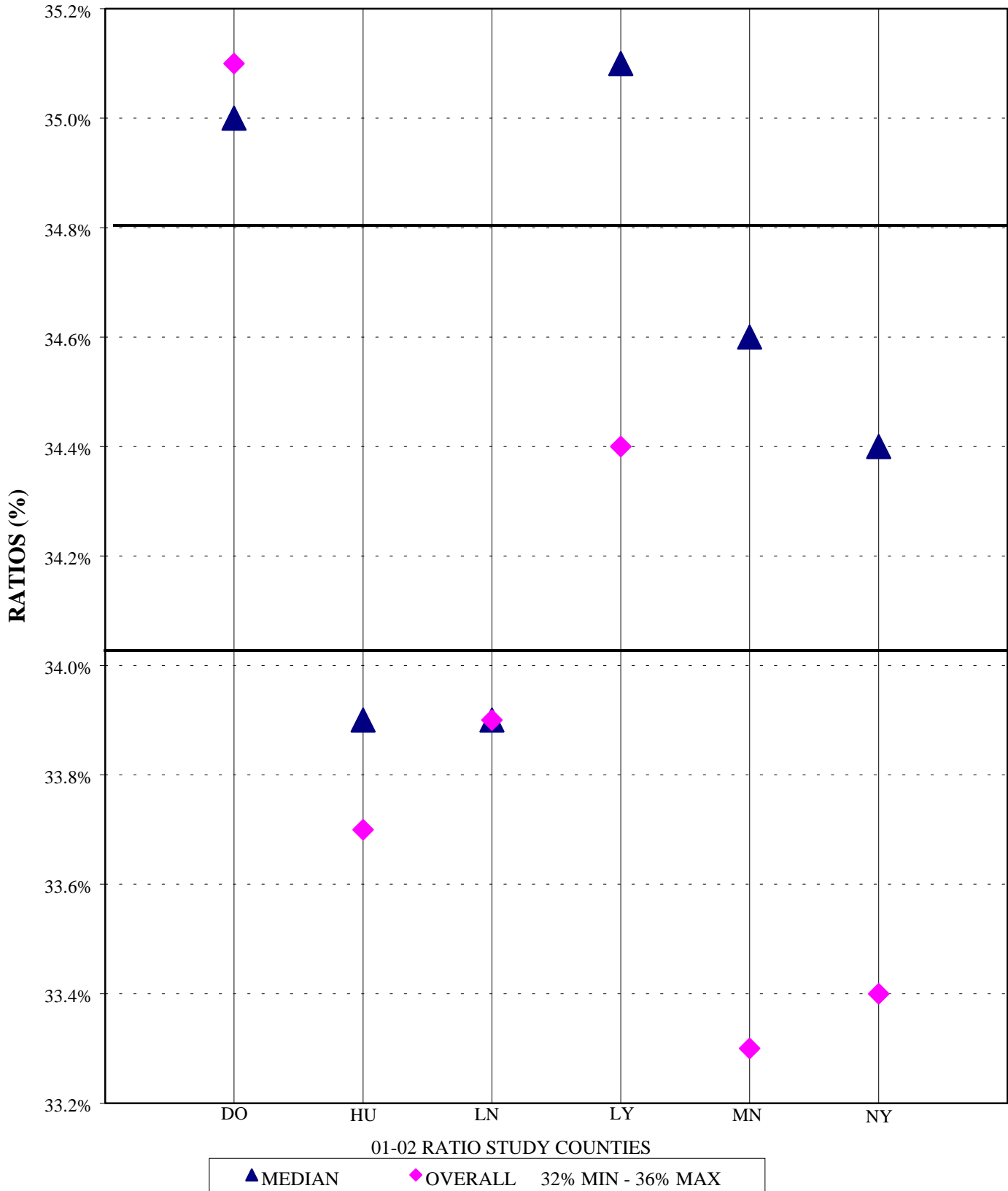


OVERALL

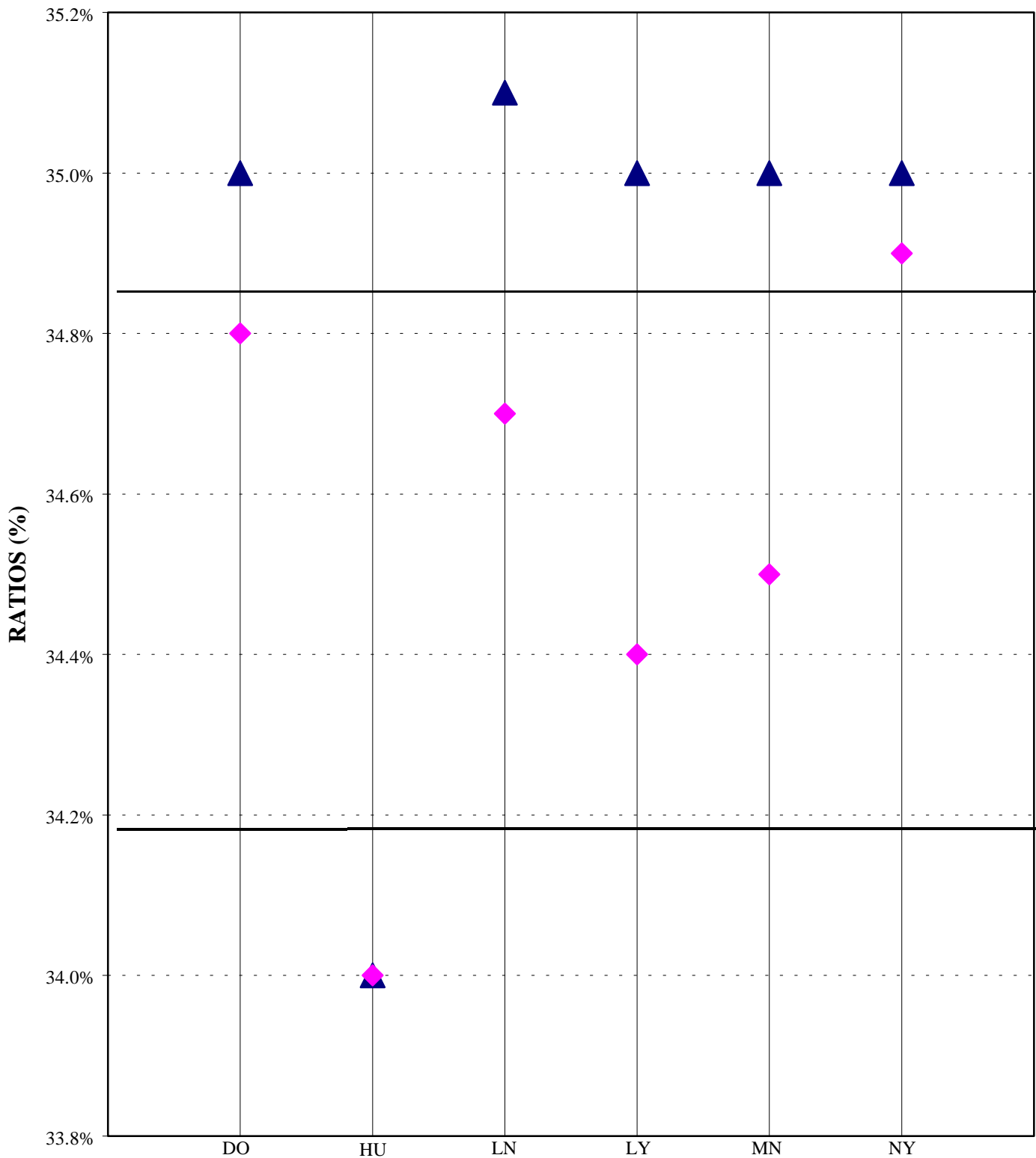
32% MIN - 36% MAX

REAPPRAISAL AREA - IMPROVEMENTS

MEDIAN VS OVERALL



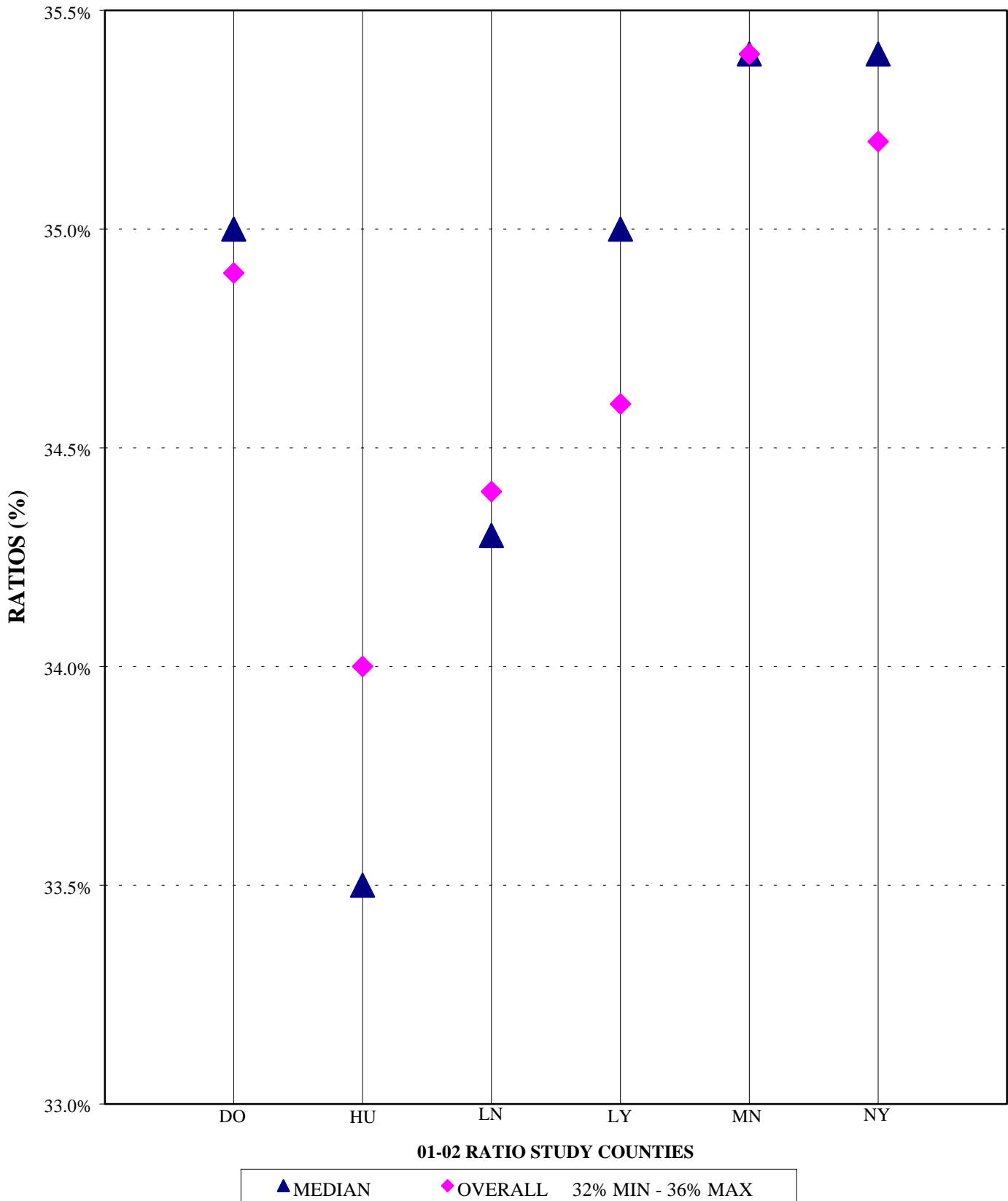
REAPPRAISAL AREA - LAND
MEDIAN VS OVERALL



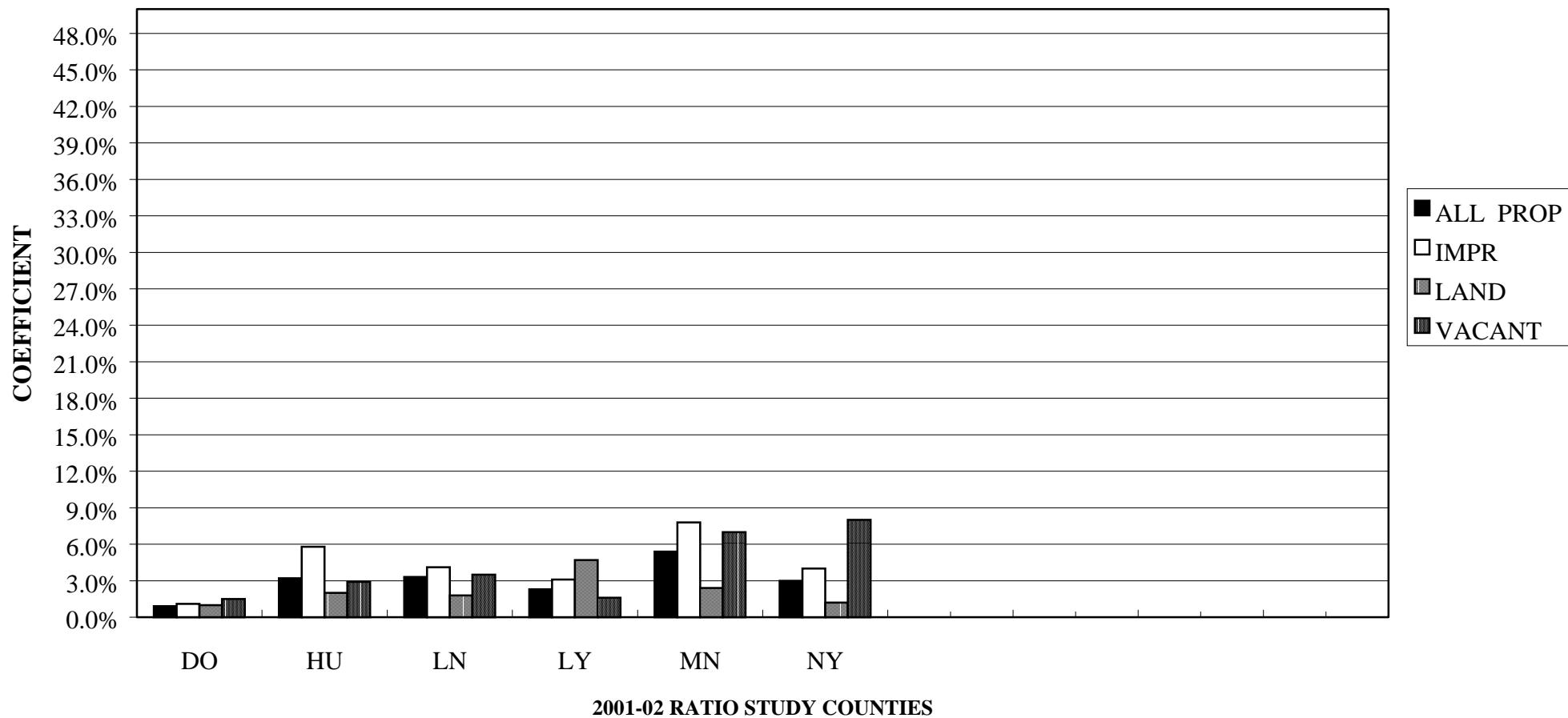
01-02 RATIO STUDY COUNTIES

▲ MEDIAN	◆ OVERALL	32% MIN - 36% MAX
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REAPPRAISAL AREA - VACANT MEDIAN VS OVERALL



REAPPRAISAL AREA COEFFICIENT OF DISPERSION



**DOUGLAS COUNTY
2001-02 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	35.0	34.9	0.9%	189
IMPROVEMENTS	35.0	35.1	1.1%	165
IMPROVED LAND	35.0	34.8	1.0%	165
VACANT	34.6	34.9	1.7%	24
SFR IMPROVEMENTS	34.6	35.2	1.7%	130
SFR LAND	35.0	34.8	0.9%	130
SFR TOTAL	35.0	34.9	0.6%	130
MULTI IMPROVEMENTS	35.0	34.8	1.4%	15
MULTI LAND	35.0	34.3	0.6%	15
MULTI TOTAL	35.0	34.5	1.2%	15
COMM & INDUSTRIAL IMPROVEMENTS	35.0	34.9	0.3%	20
COMM & INDUSTRIAL LAND	34.9	34.9	0.3%	20
COMM & INDUSTRIAL TOTAL	34.9	34.9	0.2%	20
RURAL IMPROVEMENTS	0.0	0.0	0.0%	0
RURAL LAND	0.0	0.0	0.0%	0
RURAL TOTAL	0.0	0.0	0.0%	0
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.9	0.34%	56
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.1	0.29%	10
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	34.7	0.52%	4
MOBILE HOMES	35.0	34.9	0.33%	42
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.8	0.42%	149
AIRCRAFT	35.0	34.6	1.31%	20
AGRICULTURAL	35.0	35.0	0.04%	8
BILLBOARDS	33.5	31.8	6.42%	2
COMMERCIAL-INDUSTRIAL	35.0	35.0	0.29%	59
MOBILE HOMES	35.0	35.0	0.11%	60
TOTAL PERSONAL PROPERTY	35.0	34.8	0.40%	205

DOUGLAS COUNTY
2001-2002 RATIO STUDY

Douglas County's reappraisal area includes that portion of Lake Tahoe from the California state line north to the Carson City county line along Highway 50. The area includes parcel books 1, 3, 5, and a portion of book 7. This year-round, prestigious resort area has experienced a significant increase in residential property values during the past few years. With limited "buildable" vacant parcels, some buyers are purchasing improved properties, removing the current improvements, and constructing their own custom homes within the Tahoe Regional Planning Agency (TRPA) guidelines. Lakefront values have increased dramatically. There has been little change with commercial properties in this area. The balance of Douglas County, with an emphasis on the Carson Valley area, has also experienced property value increases as well as a steady growth rate. The reappraisal area contains 3,022 individual nonagricultural parcels of record. The division's review involved the inspection and valuation of 20 commercial/industrial, 130 single-family residential, 15 multi-family residential, and 24 vacant land parcels. Selection of the properties to be surveyed is based on a random sample generated by a computer. The number of samples in the Douglas County survey represents 22 percent of the commercial uses, 5.9 percent of the single-family residential uses, 9.7 percent of the multi-family residential uses, and 4.3 percent of the vacant land parcels involved in the reappraisal cycle.

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements (1)	2
New Construction Valuation	3
Agricultural Land	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	3
Business Property	3
Mobile Homes	3
Billboards	3
Aircraft	3
Migratory Property	3
Billing/Collection (penalties applied, seizure and sale)	3

OFFICE PROCEDURES

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

DIVISION'S ANALYSIS AND RECOMMENDATIONS

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

Sales Verification: Sales data is verified through interviews with grantors and grantees as well as other knowledgeable parties such as real estate brokers and agents. Selected sales are verified a title company offices; for example sales having sale prices much higher or much lower than typical or at sale in an area devoid of sales data. The assessor does have the capability to generate sales verification letters on the computer, but reportedly does not do so due to budget constraints. Historically, Douglas County has experienced an active real estate market that supplies an abundance of comparable sales data. With the large quantity of data available, central tendencies within specific segments of the market can be identified. The division does, however, believe that a sales verification letter could be used in a cost effective manner for certain areas of the county where sales data is more limited, or the data cannot be verified by other means.

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

Vacant Land (excluding agricultural property): Twenty-four vacant land parcels were sampled in this study and all were found to be within ratio parameters. Lake Tahoe is a very unique and exclusive area where rapid acceleration in market value is a direct result of a limited number of available parcels and high demand for this year-round resort area. Some new buyers are purchasing improved parcels, removing the existing improvements, and building their own custom homes. What was once considered to be a conservative approach to land valuation in the Lake Tahoe area, has evolved into a well thought-out factoring system. This system of factoring is used to set land values and has evolved from a 5 to 6 month rigorous analysis of paired improved sales, actual vacant land sales (which are minimal in this area), as well as individual parcel desirability based on lake views, lake proximity (or access), IPES score, and coverage. Special consideration is given to lakefront parcels by analyzing vacant as well as improved lakefront sales, and by the utilization of the "Front-Foot" method of valuation. It is apparent that the assessor's staff is doing a thorough job in its valuation of vacant land. They are extremely diligent and careful to insure that total taxable values do not exceed full cash value. The division's sample resulted in a median ratio of 34.6 percent, and a coefficient of dispersion of 1.7 percent, which are within statute limits.

Subdivision Analysis: The county staff is doing an excellent job analyzing qualified subdivisions. The assessor spends a considerable amount of time in identifying and gathering appropriate information from subdivision owners as well as analyzing the available sales data. After this information is compiled, the assessor and her staff calculate and apply the appropriate discounts as directed by NAC 361.129. All subdivisions analyzed by the division were in complete compliance. For the 2001-02 roll, the assessor analyzed 13 subdivisions. Reductions are in 20% to 30% range based on the absorption periods used.

Single-family Residential Land: One Hundred Thirty improved single-family residential land parcels were sampled in this study and all were found to be within ratio parameters. Douglas County's land valuation at Lake Tahoe has been historically low. As indicated by this year's study, that conservative approach has been abandoned through extensive analysis and hard work. The assessor and her staff did an outstanding job in the valuation of single-family residential land by employing the previously mentioned system and a review of vacant as well as improved sales. Lakefront property was given special consideration because it has been firmly established that the buyers' primary interest is the lake front usage and not the improvements. Condo or townhouse style single-family residential land values have also been brought in line utilizing this system and review. This sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 0.6 percent.

Multi-family Residential Land: Fifteen improved multi-family residential land parcels were sampled in this study and all were within ratio parameters. Properties with multiple units were valued on a per-unit basis as is typical for this area. The division found no recurring errors or problems in this property category. The assessor and her staff are doing an excellent job in the assignment of land values for multi-family residential properties. This sample revealed a median ratio of 35 percent and a coefficient of dispersion of 0.6 percent.

Commercial and Industrial Land: Twenty improved commercial/industrial land parcels were sampled in this study and all were found to be within ratio parameters. The reappraisal area consists of the eastern shore of Lake Tahoe north of Stateline and includes the casinos. There exists a limited number of commercial land or improved commercial properties in the area, therefore sales data for commercial land is very limited and up to five years old. Therefore, a straight line method of valuation was used by the county for all commercial properties. The division has examined the data used by the county and agrees with the county's overall analysis. This sample resulted in a median ratio of 34.9 percent and a coefficient of dispersion of 0.3 percent.

Factors: The assessor has historically had an excellent land factor system. Factor areas are developed as sales are analyzed. Appropriate factors are calculated in those areas having sufficient sales data. Several parcels were reviewed and it was found that the assessor did correctly apply the approved land factors.

Single-family Residential Improvements: One Hundred Thirty improved single-family properties were sampled in this study. The assessor's staff is measuring and classifying the improvements correctly with the exception of a few minor errors. The incorrect valuation of minor improvements was the biggest problem encountered in this category. Our inspections repeatedly found differences in the number of minor improvements found as opposed to those inventoried by the assessor's staff. There were eleven outliers in this category. Seven of these involved differences in story definition and basement classification where applicable. One outlier was the result of an incorrect measurement of a residence, another involved a disagreement in quality class, and the last two had to do with the costing of an "inside-unit" townhouse as opposed to an "outside unit" townhouse. Overall, the assessor and her staff do an excellent job measuring and classifying these difficult properties. This sample resulted in a median ratio of 34.6 percent and a coefficient of dispersion of 1.7 percent.

Multi-family Residential Improvements: Fifteen improved multi-family residential properties were sampled in this study, and all were found to be within ratio parameters. Although the sample was not a large one, staff members believe that the property in this category is being measured, costed, and assessed correctly. This sample produced a median ratio of 35 percent and a coefficient of dispersion of 1.4 percent.

Commercial and Industrial Improvements: Twenty improved commercial/industrial properties were sampled in this study. Although the number of commercial improvements was small in this year's reappraisal area, the division's sample indicates that they are being valued correctly. No major errors were found in this category. This sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 0.3 percent.

(1) Minor Improvements: 2

Analysis: The division consistently found differences in the number of minor improvements observed from those valued by the assessor's staff. These small errors are not considered significant in overall values. However, the division recommends that the assessor's array for lump sum improvements be expanded to include a larger range of values. It is also suggested that more effort be given to assessing minor improvements.

The division approved and used the local costs for minor improvements established by Douglas County. Considering the number of minor improvements that exist, the volume and difficulty of parcels located in the Lake Tahoe area, and the size of the county staff, the division has concluded that the assessor is doing an adequate job in this diverse area of assessment. Minor improvement valuations were not the direct cause of any outliers in this year's study.

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

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

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

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

Agricultural Land Conversion: The assessor listed six parcels with a total of 222 acres which were converted from agricultural use to residential or commercial/industrial uses during the 2000 calendar year. In all of the cases reviewed, the assessor's calculation of deferred taxes was correct.

Assessment Maps: The assessor's maps are created in the county's Geographic Information System (GIS). The conversion to the GIS has been an ongoing project with only two areas remaining to convert, Lake Tahoe and Topaz Lake. Several of the new maps created on the GIS system were reviewed, and were found to be accurate and concise.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Referral or summary parcel numbers are not used in Douglas County. All exempt parcels including most BLM, US Forest Service and Indian parcels are identified in the system but most are not reported in the published assessment roll.

PERSONAL PROPERTY

Discovery: Discovery of personal property within Douglas County continues to be well managed. Businesses are discovered by fictitious firm names, chamber newsletters, newspapers, phone book, business cards and physical discovery by real property appraisers. The methods used to identify aircraft involve physical inspections of the hangars, tenant lists from the airport, and review of an internet site called "Landings.com". Dealer's Report of Sale, building permits, and/or utility permits are the primary methods of discovering mobile homes. In addition, the personal property staff visits the mobile home parks with a checklist from the park manager for any possible additions.

Record-keeping: The filing system utilized by the assessor's office is well maintained and efforts are being made to simplify wherever possible. Business and ranch declarations are filed alphabetically while mobile homes are filed by account number (unsecured) and by parcel number (secured). Aircraft were tracked by their tail number index, although currently the staff are in the process of filing them alphabetically. Individual file folders are used for each business, ranch, mobile home and aircraft. Business folders contain both current and prior year declarations along with other asset listings and pertinent information. Mobile home folders contain Dealer's Report of Sale and other original value documentation. In addition, information concerning real property improvements located on sites with unsecured mobile homes are being included in the mobile home files.

Business/Agricultural Property: As reported in previous ratio studies, the assessor has done an excellent job of tracking and valuing the personal property in Douglas County.

The department sampled 81 accounts in this category, with no outliers discovered. The number of errors discovered was very low in relation to the number of properties studied.

The assessor's staff occasionally conducts selective audits on businesses to verify that the personal property listed on the declarations is accurate. This procedure targets businesses that fail to file a declaration in two consecutive years. In addition, estimated assessments are increased each year on accounts that do not file a declaration pursuant to NRS 361.265.

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

A continuing minor problem found is the incorrect assignment of class lives to property. The errors discovered involved an assortment of items, which were found to be incorrect in several of the samples. Measures of central tendency were 35 percent, with coefficients of dispersion of .029 percent, .052 percent, .04 percent and .29 percent respectively.

Mobile Homes: A perfect ratio was achieved in this property category. As mentioned in a prior section of this report, mobile home account files contain Dealer's Report of Sale (DRS) information and other pertinent data. Unsecured mobile home account files also include the assessed value of on-site real property improvements. These items are updated by factor every year and physically every five years during the normal reappraisal cycle.

A few errors were discovered in this category. The most common error continues to be the incorrect use of the sale date instead of the date of manufacture for the beginning date of the depreciation calculation. The division sample included mobile homes with various acquisition years, and it was discovered that four were incorrect. In addition, there were four accounts in which the mobile home accessories were not added to the base cost of the structure. These errors were insignificant and have caused no outliers.

The division recommends personal property staff use these two methods to assign a taxable value if no other documentation is available:

1. Use a comparable mobile home. Reference the mobile home comparison book, matching the make, model and size of the home. For the most accurate value, use only sales indicating a Dealer's Report of Sale as the source of taxable value.
2. Use an original/retail selling price found in a "blue book". Do not use books containing market data and recommended selling prices, such as N.A.D.A. An appropriate book would be the Kelly Blue Book.

The individual file folders should contain the information used to arrive at taxable value. All measures of central tendency were 35 percent, with coefficients of dispersion of .33 percent and .11 percent respectively. On an overall basis, this category was excellent.

Billboards: Although the county has an ordinance prohibiting billboards, a few do exist on Federal Indian Land located along the alignment of U. S. Highway 395. There are only three accounts in this property category. The one error found was a large discrepancy in the assessed value, which resulted in an outlier in this category. The measure of central tendency was 33.5 percent, with a coefficient of dispersion of 6.42 percent.

Aircraft: The assessor's office reports approximately 174 aircraft currently in Douglas County. Approximately 11.5 percent of these accounts were sampled and reviewed by the division this year. There were two accounts found to be in error due to incorrect acquisition years, resulting in one outlier. The median ratio for this property category was 35 percent, with a coefficient of dispersion of 1.31 percent.

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

Billing/Collection (penalties applied, seizure and sale): Douglas County does an excellent job in both billing and collection. All appropriate penalties and late fees are applied to delinquent accounts and collected from the taxpayer. There has been only one mobile home seized in Douglas County in the past ten years. If delinquent taxes are not paid within the fiscal year, property owners are sent a notice notifying them the amount will be attached to their secured roll tax bill for the next fiscal year. The treasurer is then responsible for collecting, accruing the same penalties and interest are applied as real property tax bills.

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

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: There are several areas of Douglas County where possessory interest real properties are located. One is the Heavenly Valley Ski Resort where both the land and improvements are valued. At the Douglas County Airport, only the improvements owned by the tenant are valued.

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

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both have been correctly updated. In addition, both publications are available to and used by the assessor via the internet.

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer cost estimator program to value the majority of the major improvements. The estimator updates are loaded into the computer once each year at the beginning of the work year. The September 1999 update is being used for residential property. The October 1999 update is being used for commercial property. The assessor has several copies of the Assessor's Handbook of Rural Building Costs, three copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial cost manuals. All of the manuals have been correctly updated.

Appraisal Records: The information in the files is complete, correct and up to date. Each property record folder contains the most recent Marshall and Swift data entry form and computer printout as well as several older data entry forms and computer printouts. The files also contain an Advance Data System (ADS) miscellaneous building record, a recent picture of the improvements, building permits, correspondence, appeal documents pertaining to the property, and a new construction breakdown sheet for those parcels having new construction. The older information, going back several years, is maintained in the file because of ongoing restrictions imposed by TRPA. In addition, the majority of the information contained in the files is necessary to explain and defend the appraisals.

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

Reports: The numerous reports required of the assessor were completed correctly and delivered on time. Some reports are now being received electronically.

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

Reopened Roll Log: The roll log is required by NRS 361.210 to be received by the division on or before October 31, 2000. The roll log submitted by Douglas County was received on July 21, 2000, and was completed correctly. The log contained 88 pages of changes to the roll. Most were increases due to new construction or parcel splits.

Obsolescence: The assessor maintains a data bank listing of sales of improved and vacant properties within the county. The assessor's taxable values for these properties are then compared to their sales prices, and a ratio of taxable value to sales price is calculated for each property. Properties with a taxable value that exceeds their sales price can then be identified. Rarely does taxable value exceed full cash value in Douglas County because property values have been steadily appreciating over the past several years. Only one property within Douglas County has been reduced due to obsolescence. The application of the income approach by the assessor showed that taxable value exceeded full cash value.

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

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

Appraisal Cycle: The assessor uses a five-year reappraisal cycle with five separate reappraisal areas. During the year 2000, Area 5 was reappraised. This area includes that portion of Lake Tahoe from the California state line north to the Carson City county line along Highway 50. This area represents approximately 13 percent of the county. Area 4 was completed in 1999 and includes the north end of the Carson Valley, Johnson Lane, Jack's Valley, Genoa, and the properties located to the west of Highway 88, south to the California State line. These areas represent approximately 27 percent of the county. Area 3 was appraised in 1998, and includes the Gardnerville Ranchos and Ruhenstroth areas. These areas represent 20 percent of the county. Reappraisal Area 2 was appraised in 1997 and includes Minden and Gardnerville and the Topaz Lake, and Topaz Ranch Estates area. These areas represent 22 percent of the county. The 2001 reappraisal plan includes Area 1, which includes Kingsbury to the Ridge and the east side of Carson Valley from Johnson Lane to Minden. This represents 18 percent of the county. The existing reappraisal cycle appears to work well for the assessor, does conform to statute requirements, and is manageable with the available personnel.

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

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

Appraiser Training Requirements: All of the Douglas County staff appraisers are presently in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be required in 2001.

HUMBOLDT COUNTY 2001-02 RATIO STUDY

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	33.8	33.8	3.2%	63
IMPROVEMENTS	33.9	33.7	5.8%	44
IMPROVED LAND	34.0	34.0	2.0%	44
VACANT	33.5	34.0	2.9%	19
SFR IMPROVEMENTS	33.9	33.6	5.9%	40
SFR LAND	33.9	33.9	1.9%	40
SFR TOTAL	33.8	33.7	3.4%	40
MULTI IMPROVEMENTS	34.5	34.6	4.6%	4
MULTI LAND	35.0	34.5	2.3%	4
MULTI TOTAL	34.8	34.5	2.1%	4
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
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	0.57%	109
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.2	0.50%	22
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	34.1	2.32%	18
MOBILE HOMES	35.0	35.0	0.13%	69
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	0.74%	197
AIRCRAFT	35.0	35.0	0.01%	8
AGRICULTURAL	35.0	34.8	1.84%	8
BILLBOARDS	35.0	35.0	0.01%	5
COMMERCIAL-INDUSTRIAL	35.0	35.0	1.63%	61
MOBILE HOMES	35.0	35.0	0.28%	115
TOTAL PERSONAL PROPERTY	35.0	35.0	0.68%	306

HUMBOLDT COUNTY
2001-2002 RATIO STUDY

Humboldt County's 2000 reappraisal area includes the residential, multi-family and vacant parcels in South suburban Winnemucca. These areas include all of Books 13 and 14, with portions of Books 5, 6 and 10 containing approximately 3,195 parcels. The ratio study sample consists of 40 single-family residential (2.5 %), 4 multi-family residential (8.2%) and 19 vacant (1.4%). There were no commercial and very few agricultural parcels in the area. Many of the properties reviewed involved mobile homes in subdivisions with power, some paved access roads, wells and septic systems.

The economy of Humboldt County has softened somewhat due to lower gold prices and resulting staff cutbacks at several mines in the area. However, real estate values do not appear to have been impacted as yet. The situation will require observation in the future.

STUDY RESULTS

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

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

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

OFFICE PROCEDURES

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

DIVISION'S ANALYSIS AND RECOMMENDATIONS

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

Sales Verification: Sales verification is accomplished primarily by declarations of value, however, real estate sales questionnaires were mailed to all grantees and grantors. Second and third requests are sent as follow-up. The return rate is reported to be 80 percent. Key sales used to establish land values are verified with brokers and/or the grantor/grantee if there is a conflict in the data, or if the validity of the sale is questionable.

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

Vacant Land (excluding agricultural property): Nineteen vacant parcels were selected for review in this property classification. All were within ratio parameters. The assessor is using the best information available to assure the accurate valuation of properties in areas where there is limited sales data available. In a few instances, a factor was utilized based on the growth rate derived from sales and/or re-sales in similar areas. Abstraction was also used in a few instances where there were insufficient vacant land sales. This sample resulted in a median ratio of 33.5 percent and a coefficient of dispersion of 2.9percent.

Subdivision Analysis: The assessor has reviewed all qualified subdivisions in the county. For the 2001-2002 tax year there are twenty subdivisions that qualified for analysis. Reductions were made from 20% to 50% based on the calculated rate of absorption. A review of the assessor's methods and resulting land values showed that the assessor is correctly valuing this property type pursuant to NAC 361.129 and NAC 361.1295.

Single-family Residential Land: Forty improved single-family residential land parcels were sampled in this study. All were within statute limitations. No problems were discovered in the assessor's valuation of residential parcels located in suburban areas with few or no sales. An adequate number of vacant land sales were available in most of the suburban subdivisions. However, due to an economic slump in the area, current sales are depressed in value and quantity. The division did adjust the comparable sales for size and/or date of sale when the sales data indicated an appreciation in value. This sample resulted in a median ratio of 33.9 percent and a coefficient of dispersion of 1.9 percent.

Multi-family Residential Land: There were no true multi-residential properties in the 2000 reappraisal area. All of the multi-family properties included in the study were residential sites with two or more single-family dwellings, or attached mobile homes. All of the properties in this category had acceptable ratios. This sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 2.3 percent.

Commercial and Industrial Land: N/A

Factors: Land factors were derived from an analysis of sales in the area. The assessor's staff has a good grasp of factoring methods and procedures. The division compared the 2000-2001 tax roll to the 2001-2002 tax roll and found that the land factors had been correctly applied.

Single-family Residential Improvements: Forty improved single-family residential properties were sampled in this study. Twelve of the samples were not within ratio parameters. The circumstance that contributed to these improvement outliers was the insufficient lump sum values used for the minor improvements. The sample resulted in a median ratio of 33.9 percent and a coefficient of dispersion of 5.9 percent.

Multi-family Residential Improvements: There were no true multi-family residential properties included in the 2000 reappraisal. All of the properties studied involved residential sites with two or more single-family dwellings, or attached mobile homes. One of the improvements in this category has an unacceptable ratio due to the insufficient lump sum value for the minor improvements. The sample resulted in a median ratio of 34.5 percent and a coefficient of dispersion of 4.6 percent.

Commercial and Industrial Improvements: N/A

(1) Minor Improvements: 2

Analysis: The assessor is using a lump sum method to value minor improvements. All of the 13 outliers resulted from incorrect lump sum values. The total dollar value is not a great amount, but when combined with low value mobile homes the ratio becomes unacceptable.

Recommendation: Minor improvements should be valued in the same manner as all other improvements; replacement cost new less depreciation. An effort must be made to value all improvements when completing new construction and by a comprehensive inspection during reappraisal. If lump sum values are to be used when valuing minor improvements, the value must be realistic when compared to the value of the improvement.

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

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

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

Agricultural Land Conversion: The assessor identified two parcels with a total of 24.1 acres which were converted from agricultural to residential or commercial/industrial use during 2000. A review of the assessor's calculation of deferred taxes on these properties showed they were correct.

Assessment Maps: The assessor has one employee who is responsible for maintaining the parcel maps. The maps are updated on a regular basis, are well organized and easy to use.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Referral parcel numbers are no longer being used in Humboldt County. In some instances, however, summary parcels are used for the convenience of the taxpayer, so that they only receive one tax bill. The assessor has correctly maintained individual values for each parcel that is associated with a summary parcel. All exempt parcels including most BLM, US Forest Service and Indian parcels are identified in the system but most are not reported in the published assessment roll.

PERSONAL PROPERTY

Discovery: The personal property discovery process in Humboldt County is well managed. The assessor and staff employ several sources to discover new businesses. They do field inspection, review business licenses and building permits, and scan the newspaper. Mobile homes are discovered through building permits for mobile home hook-ups, Dealer's Report of Sale (DRS), trip permits, word of mouth, and discovery in the field. Aircraft are discovered through field inspection and through hanger owners. The assessor is aware of some on-line sites, and will use these sources as additional discovery tools in the future. The assessor's staff locates billboards through sporadic field inspection. We recommend that the appraisers plan trips twice a year devoted specifically to discovery of billboards.

Record-keeping: The assessor's record-keeping system and files are adequate. Our inspection revealed the files to be neat although they contain several prior years' declarations that are not necessary. Business declarations are filed alphabetically with individual file folders for each ranch and business. As mentioned in the prior ratio study, the staff was reorganizing the mobile home files. This is now complete, and mobile homes are filed as secured or unsecured in separate file drawers by account number. The staff is to be commended for its efforts.

Agricultural/Business Property: These two categories do not exhibit the problems mentioned in prior studies. The assessor has dealt with taxpayers that don't file declarations by applying an estimated assessment based on similar types of businesses. Of 109 businesses and agricultural properties reviewed, 5 outliers were noted. The types of errors noted were due to deleted items not being removed from the roll, and new items not being added to the roll. In addition, there were some input errors and class life errors discovered. Overall, the assessor and staff are doing a good job of assessing this type of personal property. All measures of central tendency were between 35 percent, with the coefficient of dispersion ranging from 0.50 percent to 2.32 percent.

Mobile Homes: A large representative sample was taken for this category and it is evident that these files are well maintained. Three outliers were found due to input errors. There were a few other errors that did not cause outliers, but they need to be mentioned. They were due to accessories not being included, as well as minor input errors. Several of the older files didn't have supporting documentation on values. It is always recommended that the original DRS be obtained whenever possible. If it is not available, the comparable lookup book should be consulted. Real property improvements are correctly valued and depreciated like other real property items. The median for this property type was 35 percent with a coefficients of dispersion of 0.13 percent and 0.28 percent respectively.

Billboards: The assessor's staff has done a good job in locating and valuing this type of property. The division examined several billboard accounts and found no errors. This resulted in a perfect ratio for this category.

Aircraft: A number of aircraft accounts were reviewed and the division did not find any errors in this property category, resulting in a ratio of 35 percent.

Migratory Property: Humboldt County has not had any migratory property in recent years. The assessor and staff are correctly valuing mobile homes brought into the county after the July 1st lien date by adding them to the tax roll the following year.

Billing/Collection (penalties applied, seizure and sale): The county has adopted a very aggressive approach to billing and collection. The appropriate penalties are added to delinquent accounts by the computer system, and in most cases, are collected from the taxpayer. Total outstanding personal property taxes prior to fiscal year 2000-01 was \$6,242 (including penalties and interest). Although there were no seizures of any mobile homes, 160 letters of intent-to-seize were mailed to delinquent taxpayers during the past year. All accounts were paid prior to seizure.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The assessor is correctly valuing possessory interest property in Humboldt County. The possessory interests valued by the county assessor include the cabins at Hinkey Summit (which are on U. S. Forest Service land), and the hangers at the county airport. The assessments at Hinkey Summit include both land and improvement values. Only the improvements are valued for the possessory interests at the county airport pursuant to NRS 361.157(2a).

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

Statutes and Regulations: The Nevada Revised Statutes and the Nevada Administrative Codes are available in the assessor's office. Both of these publications have been correctly updated. In addition, both are accessible by the assessor via the internet.

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most of the major improvements. The estimator updates are loaded into the computer each year at the beginning of the work year. The October 1999 update is used for the commercial property and the September 1999 update is used for the residential property. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential Handbook and two copies of the Marshall and Swift Commercial Cost Manuals. All of the manuals have been correctly updated. The assessor's Advance Data Systems (ADS) miscellaneous building program, which is based on the Marshall and Swift Cost Manuals and the Assessor's Handbook of Rural Building Costs, is used to value most minor and agricultural improvements.

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

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

Reports: Nearly all of the reports required of the assessor were correctly completed and delivered on time. The land factors were, however, not received until June 19, 2000. Although there is no statutory deadline for submission of the land factors, the Manual of Assessment Policies and Procedures recommends May 1st as the optimum date.

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

Reopened Roll Log: The roll log required by NRS 361.310 to be received by October 31, 2000 was received on October 5, 2000. The Log included 34 pages of changes most of which were due to new construction or parcel splits. Except for a few minor coding errors this report was correctly completed.

Obsolescence: The assessor continues to apply a 15% obsolescence factor to the improvements in McDermitt. This was the result of the closing to the mine in 1993. In addition, obsolescence of varying amounts is applied to 39 commercial properties on Bridge Street in downtown Winnemucca due to vacancies and based on the rents being paid in the area. The assessor reviews sales data and rents annually to verify that obsolescence continues to be necessary.

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

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

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During the year 2000, Books 13 and 14 excluding commercial parcels and portions of Books 5, 6 and 10 were reappraised. This area includes the Winnemucca rural area. The area represents approximately 24 percent of the county. Winnemucca residential property was reappraised in 1999 and included Books 15 and 16 and a portion of Book 10. These areas represent approximately 19 percent of the county. In 1998, the northwestern portion of the general county was reappraised and included the town of Denio and Virgin Valley and the Bottle Creek Areas. This area includes Book 1 and portions of Books 2, 5 and 10. Many of these parcels are agricultural. These areas represent 20 percent of the county. In 1997 the north central portion of the county was reappraised and included Paradise Valley, Paradise Valley Estates, Paradise Summit, Orovada, Kings River valley, McDermitt and a small portion of the general county. Books 3 and 4 and portions of Books 2, 5 and 6 are included. These areas represent 19 percent of the county. This area also included a large group of agricultural parcels. In 1996 the Golconda Fire District and the northeastern portion of the general county were reappraised. This included Books 7 and 8 and portions of books 5 and 6. These areas represent 18 percent of the county. The existing reappraisal cycle appears to work well for the assessor, does conform to statute requirements, and is manageable with the available personnel. It is, however, noted that as the county grows, the reappraisal cycle will require a more geographical system.

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

Appraiser Certification: The division has certified the assessor and two property appraisers to appraise for ad valorem tax purposes. There is one temporarily certified personal property appraiser on the assessor's staff at the present time.

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

**LINCOLN COUNTY
2001-02 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.2	34.0	3.3%	57
IMPROVEMENTS	33.9	33.9	4.1%	49
IMPROVED LAND	35.1	34.7	1.8%	50
VACANT	34.3	34.4	3.5%	7
SFR IMPROVEMENTS	33.9	33.9	4.0%	31
SFR LAND	35.2	34.7	1.6%	31
SFR TOTAL	34.1	34.0	3.2%	31
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	34.1	33.9	4.3%	18
COMM & INDUSTRIAL LAND	35.0	34.7	2.2%	19
COMM & INDUSTRIAL TOTAL	34.2	34.0	3.5%	19
RURAL IMPROVEMENTS	0.0	0.0	0.0%	0
RURAL LAND	0.0	0.0	0.0%	0
RURAL TOTAL	0.0	0.0	0.0%	0
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.7	0.93%	123
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	33.2	3.33%	15
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	34.8	33.9	2.31%	11
MOBILE HOMES	35.0	34.8	0.40%	97
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.7	2.16%	72
AIRCRAFT	35.0	35.0	0.00%	6
AGRICULTURAL	35.0	35.1	1.22%	7
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	34.8	34.2	4.01%	18
MOBILE HOMES	35.0	35.1	1.83%	41
TOTAL PERSONAL PROPERTY	35.0	34.7	1.39%	195

LINCOLN COUNTY
2001-2002 RATIO STUDY

The Lincoln County reappraisal area includes the city of Pioche and the Pioche Fire District. The majority of the fire district has been annexed to the city and encompasses all of Book 1. The reappraisal area contains 987 parcels (463 improved) and is 22.2 percent of the parcels in the county. The division's sample consists of 31 single-family residential (9.37%), 19 commercial (27.1%), and 7 vacant (1.4%) properties. There are no multi-family residential parcels within the reappraisal area. Lincoln County's economy is relatively stable with very little growth in the business sector. Population trends indicate a growth rate of approximately 2 percent per year. Most of the growth in population is due to retired people moving into the area.

STUDY RESULTS

<u>REAL PROPERTY</u>	<u>RATING</u>
Sales Collection	3
Sales Verification	3
Sales Database	3
Vacant Land (excluding agricultural property)	3
Subdivision Analysis	3
Single-family Residential Land	3
Multi-family Residential Land	3
Commercial and Industrial Land	3
Factors	3
Single-family Residential Improvements	3
Multi-family Residential Improvements	3
Commercial and Industrial Improvements	3
Minor Improvements	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 (1)	2
Prescribed Parceling System	3

PERSONAL PROPERTY

Discovery	3
Record-keeping	3
Agricultural/Business Property	3
Mobile Homes	3
Billboards	N/A
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

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

Sales Verification: Sale verification letters and questionnaires are sent to the buyer and seller of property to verify the conditions of each sale. The assessor reports an 80 percent return rate on these documents. The assessor also directly contacts buyers by telephone to verify recent sales or unconfirmed information.

Sales Database: The sales information is entered into the main frame computer sales data bank. The assessor keeps five to six years of information stored in the computer. The information in the system was found to be correct and complete. In the reappraisal area, there were a very limited number of recent vacant land sales. The assessor and the division had to rely on sales up to 10 years old to establish land values.

Vacant Land (excluding agricultural property): Seven vacant land parcels were sampled in this study and all were found to be within ratio parameters. The assessor uses the square foot method to establish land values. The sample resulted in a median ratio of 34.3 percent and a coefficient of dispersion of 3.5 percent.

Subdivision Analysis: The assessor has analyzed all qualified subdivisions in Lincoln County. Currently, there are three subdivision ownerships that have qualified for analysis. The assessor's staff calculated and applied the appropriate land values as directed by NAC 361.129 and NAC 361.1295. A review of the assessor's backup material found the method used, and the resulting values, to be correct.

Single-family Residential Land: Thirty-one improved single-family residential land parcels were sampled in this study, and all were found to be within ratio parameters. The assessor used historical sales dating back as much as five years to set land values. Land values were calculated using the square foot method. The sample resulted in a median ratio of 35.2 percent and a coefficient of dispersion of 1.6 percent.

Multi-family Residential Land: There were no multi-family residential parcels in this reappraisal year.

Commercial and Industrial Land: Nineteen improved commercial/industrial land parcels were sampled in this study, and all were within ratio parameters. The sales data for commercial land is very limited and historical in nature. Using historical sales as comparables, land values were calculated using the square foot method. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 2.2 percent.

Factors: The assessor uses the sales data bank when establishing land factors. Due to the few number of sales received each year, the assessor must use several years' sales to develop a trend and must pay particular attention to any increases and decreases in values. The assessor correctly applied the land factors and has a good grasp of the land factor program.

Single-family Residential Improvements: Thirty-one improved single-family residential properties were included in this study. Three properties were not within ratio parameters. One improvement is under construction, with construction continuing only as the owner can afford it. The percent complete assigned by the assessor was incorrect. The other two outliers were due to some minor improvements that were not identified and valued. Overall, the assessor is doing a good job measuring and classifying this property type. The sample resulted in a median ratio of 33.9 percent and a coefficient of dispersion of 4.0 percent.

Multi-family Residential Improvements: There were no multi-family residential improved properties in this year's reappraisal area.

Commercial and Industrial Improvements: Nineteen improved commercial/industrial properties were sampled in this study. One property was not within ratio parameters due to the assessor having an incorrect measurement of an office building. This one property has an improvement ratio of 28.5 percent and reduced the overall ratio for the entire sample to 34.2 percent. The division considers this to be the exception to the rule and believes that the assessor is doing a good job valuing this property type. The sample resulted in a median ratio of 34.1 percent and a coefficient of dispersion of 4.3 percent.

Minor Improvements: The division found only two subjects where the minor improvements were not identified and valued. These small errors are not considered significant in overall values. In nearly all cases, the minor improvements are being properly accounted for and valued by the assessor.

New Construction Valuation: New construction is discovered through the use of the county building permit system. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the roll log. A review of several properties with new construction revealed that the improvements are being correctly measured and valued by the assessor.

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 489 deferred agricultural parcels in Lincoln 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: Lincoln County has no higher use (multi-residential or commercial use) areas on agricultural land.

Agricultural Land Conversions: In Lincoln County seven parcels of deferred agricultural property were converted to a higher use in 2000. These were the first deferred taxes billed by the assessor in a number of years. All billings were reviewed and the assessor's methods of calculating the deferred taxes were found to be correct.

(1) Assessment Maps: 2

Analysis: Many of the maps are out of date or have been up-dated in pencil. The county commission budgeted \$6,000 to update the assessment maps, and because of the limited budget, the draftsman works only part time leaving many maps still needing to be updated. The limited number of maps that have been updated are of very good quality and are professional in appearance.

Recommendation: Due to the current condition of many of the maps, the Department recommends that a full time draftsman be hired or contracted until such a time when all of the maps are brought up to date. Accurate, updated assessment maps are the basis for the assessor's appraisal system.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Summary or referral parcels are not used in Lincoln County. However, many exempt parcels are not identified in the assessor's computer system and are therefore not included in any of the reports.

PERSONAL PROPERTY

Discovery: The Lincoln County assessor and his staff do a good job of discovering new personal property located in the county. Aircraft are discovered through FAA reports and airport inspections. Mobile homes are discovered by building permits, trip permits, and Dealer's Report of Sale (DRS). The assessor and staff also send inquiry letters and visit local mobile home parks on an ongoing basis. Businesses are discovered through field inspections, word of mouth, fictitious name filings, building permits, and sales information. Caliente is the only area in the county where business licenses are required. When a new business is discovered, a personal property declaration is sent out by the assessor's office. There is little new activity with farm and ranch parcels, and the assessor is well acquainted with the existing properties. Regular field inspections and deed transfers are the primary methods used by the assessor to locate new farm and ranch property.

Record-keeping: The filing system utilized by the assessor's office is adequate. Secured and unsecured mobile homes are filed together by account number and kept on cards with the DRS or other valuation documentation attached. Business, aircraft, and agricultural personal property declarations are filed alphabetically in individual file folders.

Agricultural: Of the properties sampled there were three found to be out of tolerance. All resulted from incorrect class life being applied. These outliers do not give cause for concern. In general, the assessor and his staff are doing a good job of assessing this type of property. All measures of central tendency fall between 35 percent, with coefficients of dispersion from 1.22 to 3.33 percent.

Business Property: A large sample of this property type was reviewed and three outliers were noted. One was the result of incorrect class life being applied, one was the incorrect deletion of a piece of equipment, and the third was the result of an input error. Several other errors were noted that didn't cause other samples to be out of tolerance. They were the combining of various life items into one line item, incorrect class life being applied, and some input errors. Errors due to rounding of values by the computer program are no longer a problem. All measures of central tendency are between 34.77 and 34.83 percent, with coefficients of dispersion 2.31 and 4.01 percent.

Mobile Homes: This property class is being assessed correctly. Of 138 mobile homes sampled, seven outliers were found. Most of these outliers were the result of newer mobile homes being treated as though they were sold before 1982. This resulted in depreciation being incorrectly calculated on these mobile homes. One error combined real property improvements with personal property improvements, and incorrectly depreciated all of them at 5% per year. The last error was due to an input error. It appears that real property improvements as a whole are being calculated and depreciated correctly and then added to the unsecured mobile home account. All measures of central tendency were 35 percent, with coefficients of dispersion of .40 and 1.83 percent.

Billboards: Lincoln County does not have any billboard accounts. However, the assessor and staff are knowledgeable in the correct procedures for valuing and depreciating billboards.

Aircraft: There are six aircraft located in Lincoln County. All were reviewed and valued correctly. The sample resulted in a perfect ratio of 35 percent.

Migratory Property: Lincoln County doesn't have any migratory property although the assessor and staff are aware of how to value it. Mobile homes that arrive in the county after the July 1st lien date are added to the system and then taxed on the following year's tax roll.

Billing/Collection (penalties applied, seizure and sale): The Lincoln County assessor and his staff are doing a good job of collecting unsecured taxes. Total accounts outstanding, prior to fiscal year 2000-01, are approximately \$2,725 (including penalties and interest), of which 90% are oil and gas leases. While this isn't a very large outstanding amount, there is one account that has been outstanding over 5 years. As mandated by the NRS, the assessor has referred this account to the District Attorney several times but is not aware of any action taken. Penalties and interest are being properly applied according to statute. In the past year, one seizure notice was sent, however, payments were made prior to the seizure. The assessor applies a 10% estimated assessment for unreturned declarations.

OFFICE PROCEDURES

Possessory Interest Valuation - Real Property: The only area in Lincoln County where possessory interest real property is located is at the Mesquite Landfill. The Mesquite Landfill is currently being leased to Virgin Valley Disposal, and both the land and improvements are valued. The assessor has correctly applied a land and improvement value, however, no taxes have been paid with \$47,418 being owed.

Possessory Interest Valuation – Personal Property: The Personal Property possessory interests valued by the assessor in Lincoln County is the equipment used by the contractor at Area 51 on the Nevada Test Site. Due to the on going lawsuit between the private contractors/U S Government and the counties, itemized statements have not been submitted for the past several years. Therefore, the assessor continues to put an estimated assessment based on the last statement submitted. A payment of \$162,066 was received in August 2000. The balance of \$614,964.21 was stricken from the roll by the County Commission.

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

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer cost estimator program to value nearly all major improvements. The estimator updates are down loaded into the computer once each year at the beginning of the work year. The September 1999 update is being used for residential property while the October 1999 update is being used for the commercial property. Minor and agricultural improvements are valued manually using costs from the various cost manuals. The assessor has one copy of the Marshall and Swift Residential Cost Manual, the Marshall and Swift Commercial Cost Manual, and the Rural Building Cost Handbook. All of the manuals have been updated correctly. For the next reappraisal, the Department recommends that the assessor use the ADS property appraisal system to value the minor improvements. This system is based on the Marshall and Swift cost manuals and the Rural Building Cost Handbook. It is easy to use and will reduce the amount of time needed for each appraisal.

Appraisal Records: The information in the files is correct, complete, and up to date. Each property record file contains a drawing, picture of the improvements, and a Marshall and Swift data entry form and printout. However, it was discovered that some of the files contained records from the past three reappraisals, which encompasses a fifteen year period. Other than some historical data, the division recommends that only the current and prior reappraisal information be kept in the files. Older data should be removed and archived elsewhere.

Filing System: The assessor's real property files are organized in parcel number order by area. 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. However, because most exempt parcels are not identified in the assessor's computer system, they are also not reported in the Statistical Analysis of the Roll.

Appeal Preparation and Presentations: Only one appeal to the Lincoln County Board of Equalization was filed for the current year.

Reopened Roll Log: The roll log is required to be received by the division on or before October 31, 2000 as required by NRS 361.210. The roll log submitted by Lincoln County was received on July 17, 2000, and was completed correctly. The log contained 11 pages of changes to the roll. Most were increases due to new construction or parcel splits.

Obsolescence: The assessor compares sales prices to taxable value to determine if obsolescence needs to be applied to any properties in Lincoln County. The assessor has applied obsolescence to the following properties:

Book 3: Alamo – 11 percent to all residences built after 1975

The assessor is studying other areas that are presently at full assessed value. A review of the information gathered by the assessor was correct and complete.

New Construction: In the past, new construction was discovered primarily through the use of the county building permit system. However, the assessor is no longer the county building inspector. This responsibility was moved to the planning office. Building permits are not received on a regular basis and have been received only twice in the last ten months. This must be corrected. Without timely building permits, it is very difficult to discover new buildings and assess them in a timely manner. As a result, the assessor must now visit every parcel each year to discover new construction. This is very time consuming and certainly not efficient. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the roll log. A review of several parcels with new construction shows that the improvements are being correctly valued and depreciated. The Department recommends that the assessor contact the building department (pursuant to NRS 361.260(7)) and periodically request a copy of each building permit. This will make the discovery of new construction more efficient.

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, Pioche Town and fire district were reappraised. This area represents approximately 22 percent of the county. The 1999 reappraisal included Caliente, which represents approximately 12 percent of the county. The 1998 reappraisal covered the general county and represents approximately 39 percent of the county. In 1997, approximately 11 percent of the county was reappraised and included Panaca Town. The 1996 reappraisal plan included Alamo and Pahrnagat Valley Fire District, which represents approximately 16 percent of the county. The existing reappraisal cycle works well for the assessor, conforms to statute requirements, and is manageable with the available personnel.

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

Appraiser Certifications: The assessor is the only certified real property appraiser in Lincoln County. The Department recommends that a staff member become certified in personal property.

Appraisers Training Requirements: The assessor is in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be needed in the year 2005.

**LYON COUNTY
2001-02 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	35.0	34.4	2.3%	138
IMPROVEMENTS	35.1	34.4	3.1%	114
IMPROVED LAND	35.0	34.4	4.7%	123
VACANT	35.0	34.6	1.6%	15
SFR IMPROVEMENTS	35.4	34.9	3.1%	63
SFR LAND	34.9	34.6	2.0%	63
SFR TOTAL	35.1	34.8	2.4%	63
MULTI IMPROVEMENTS	35.0	34.9	2.2%	20
MULTI LAND	35.0	34.7	2.1%	20
MULTI TOTAL	34.9	34.8	2.1%	20
COMM & INDUSTRIAL IMPROVEMENTS	34.6	33.4	3.8%	23
COMM & INDUSTRIAL LAND	35.0	33.7	2.2%	23
COMM & INDUSTRIAL TOTAL	34.5	33.5	2.7%	23
RURAL IMPROVEMENTS	35.2	35.1	2.3%	8
RURAL LAND	35.0	34.8	21.2%	17
RURAL TOTAL	35.0	34.9	1.9%	17
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	0.11%	144
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.1	0.45%	21
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.1	0.35%	11
MOBILE HOMES	35.0	35.0	0.02%	112
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.9	0.94%	258
AIRCRAFT	35.0	35.0	0.01%	12
AGRICULTURAL	35.0	35.0	0.06%	3
BILLBOARDS	35.0	31.8	8.84%	4
COMMERCIAL-INDUSTRIAL	35.0	34.5	5.41%	37
MOBILE HOMES	35.0	35.0	0.03%	202
TOTAL PERSONAL PROPERTY	35.0	34.9	0.64%	402

LYON COUNTY
2001-2002 RATIO STUDY

Lyon County's reappraisal area includes Books 1, 9, and 10, which encompass the town of Yerington and the Smith Valley area. Included are 2,531 parcels of record. 785 of these are vacant land parcels, and 279 are classified as deferred agricultural use. The division's study included 63 residential (5.6%), 20 multi-family residential (17.7%), 23 commercial (11.9%), 15 vacant (1.9%), and 17 agricultural parcels (6.1%). The Yerington/Mason Valley area has not experienced much growth during the past five years. With no new industries on the horizon in Mason Valley, it is unlikely that the economic pattern will change. Smith Valley continues to be influenced by the migration of Carson Valley and California residences to the area, and remains one of the best out-of-the-way residential areas in western Nevada. Silver Springs and the Dayton/Moundhouse areas continue to grow at a moderate pace. The town of Fernley, which was recently incorporated, has seen significant growth in recent years.

STUDY RESULTS

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

Assessment Maps	3
Prescribed Parceling System	3

PERSONAL PROPERTY

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

OFFICE PROCEDURES

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

DIVISION'S ANALYSIS AND RECOMMENDATIONS

REAL PROPERTY

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

Sales Verification: The title companies in Yerington have an agreement with the assessor to verify sales data and to supply this information to the assessor's office. The sales that are not processed at a title company are verified by telephone. Nearly all sales are verified through one of these approaches.

Sales Database: The assessor's sales database includes at least five years of sales and is comprised of both vacant and improved properties. All pertinent information concerning the transaction is included in this record.

Vacant Land (excluding agricultural property): Fifteen vacant properties were sampled in this ratio study and all were within ratio parameters. The assessor and staff are using standard methods to value vacant land. Vacant lots in Yerington are appraised using a price per square foot unit of comparison derived from sales of standard size lots. Larger lots are valued in a similar manner, with consideration given to the size of the parcel in relation to a standard size lot. Vacant parcels located in the Smith Valley area are valued based on sales of similar size parcels. The properties sampled indicated a median ratio of 35 percent and a coefficient of dispersion of 1.6 percent.

Subdivision Analysis: For the 2001-02 roll, the assessor analyzed fifty-seven subdivision ownerships. The assessor spends a considerable amount of time identifying and gathering appropriate information from subdivision owners, as well as analyzing the available sales data. After this information is compiled, the assessor and his staff calculate and apply the appropriate discounts as directed by NAC 361.129. All subdivisions reviewed by the division were in complete compliance.

Single-family Residential Land: Sixty-three improved single-family residential land parcels were sampled in this study and all were found to be within ratio parameters. Sales of similarly situated parcels were used as comparables. The assessor used the site value method to assign land value to residential sites with some adjustment for differences in size. The sample indicated a median ratio of 34.9 percent and a coefficient of dispersion of 2.0 percent.

Multi-family Residential Land: The division sampled twenty improved multi-family residential land parcels and all were in-line with state guidelines. Sales of similarly situated parcels were used as comparables. The assessor used the site value method to assign land value to multi-family residential sites with some adjustment for differences in size. This sample revealed a median ratio of 35 percent and a coefficient of dispersion of 2.1 percent.

Commercial and Industrial Land: Twenty-three improved commercial/industrial land parcels were sampled in this study. Sales of similarly situated parcels were used as comparables. The assessor used the square-foot method to assign land value to commercial sites. One property located on State Route 95A fell outside the ratio parameters. The assessor assigned a lower land value than the division due to the use of different comparable properties. The sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 2.2 percent.

Factors: The assessor has an excellent land factor system. Factor areas are developed as sales are analyzed. Appropriate factors are calculated in those areas having sufficient sales data. Several parcels were reviewed and it was found that the assessor correctly applied the approved land factors.

Single-family Residential Improvements: Sixty-three improved single-family residential properties were sampled in the study. There were various minor errors discovered; however, only five residential improvement ratios were found to be outside the statutory limit. Three were due to minor improvements

that were incorrectly valued, one was due to an error in measurements, and one was due to a clerical error. Even though there were minor errors discovered, it is obvious that the assessor and his staff are measuring and classifying the improvements correctly. This sample revealed a median ratio of 35.4 percent and a coefficient of dispersion of 3.1 percent.

Multi-family Residential Improvements: The division sampled twenty improved multi-family residential properties in Lyon County. One sample was found to be outside the ratio parameters. In that sample, the assessor has a higher minor improvement value than the division. It is apparent that the assessor and his staff are correctly measuring and classifying this type of improvement. This sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 2.2 percent.

Commercial and Industrial Improvements: Twenty-three improved commercial/industrial properties were sampled in this portion of the study. Three samples were found to be outside the ratio parameters. All were due to differences in minor improvements. The assessor and staff are measuring and classifying commercial and industrial improvements correctly. This sample indicates a median ratio of 34.6 percent and a coefficient of dispersion of 3.8 percent.

Minor Improvements: 2

Analysis: The valuation of minor improvements was the only problem area discovered in this study. The division's appraiser consistently found differences in minor improvements from those reported by the assessor's staff. In several cases, the minor improvements were added to, or enlarged, since the properties were last reappraised. These conditions resulted in or contributed to nine outliers. In addition, there were at least 20 samples studied in which the number of minor improvements varied from those listed in the property file. However, with these differences, none of these 20 samples resulted in outliers. The division found that the assessor's staff relied heavily upon the improvement information that existed in the file, and then merely applied a lump sum amount to account for the minor improvements. The lump sum amount used by the assessor did not correctly represent the value of the minor improvements. In most cases the minor improvements were not reviewed during reappraisal.

Recommendations: The assessor and staff rely heavily on previous appraisal records when visiting the property, and not physically re-inspecting the improvements. A close inspection of the property by the assessor and staff is strongly recommended. A thorough inspection will reveal all of the new or expanded minor improvements that are not being valued. It is also recommended that the lump sum amounts being used for minor improvements be reviewed, and adjusted as necessary.

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

Agricultural Land: There were seventeen agricultural properties sampled for this year's study. One of the samples was found to be outside ratio parameters due to a major difference in land classification. In that sample, the assessor valued an abandoned field as 3rd cultivated. The classification is presently no better than 3rd grazing. Generally, the assessor values agricultural land in accordance with NRS and division guidelines. However, it is recommended that the assessor allow more time for field review. This would allow more time to discover changes that have occurred since the last appraisal.

Agricultural Land Records: The assessor maintains land records that accurately reflect the actual land use classifications for each property.

Agricultural Land Classification Maps: The assessor utilizes aerial photography to effectively develop land classification maps.

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

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

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

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

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

Agricultural Land Conversion: The assessor reported that there were thirteen parcels with a total of 419.87 acres converted from agricultural to residential or commercial/industrial use during 2000. A review of the assessor's calculation of the deferred taxes due on these properties found that they were correct.

Assessment Maps: The assessor has one employee that draws all the maps. They are of good quality and are easy to use. There are some maps that have been updated in red and are awaiting final completion. The assessor is also exploring a GIS mapping system in cooperation with other entities.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Referral or summary parcel numbers are not used in Lyon County. All exempt parcels including most BLM, US Forest Service, and Indian parcels are identified in the system, but most are not reported in the published assessment roll.

PERSONAL PROPERTY

Discovery: Lyon County's discovery process is one of the best in the state. Aircraft are identified through airport tie down reports, FAA fact listings, physical inspections, and a listing from the sheriff's office. Mobile homes are identified through Dealer's Report of Sale (DRS), building permit inspections supplied by county and state sources, physical inspections, and lists from park managers. The county

has an increase of 50 businesses per month, which are easily discovered by the assessor and staff due to the business license requirement for all commercial operations within the county. The assessor's staff also relies on county building permits as a source for discovering new businesses within the county. The staff conducts field inspections of the numerous ranches and businesses in order to determine if all the equipment is being reported. In addition, the office is sent notice of new ranches by completed greenbelt applications. The assessor and his staff are very resourceful in the discovery of all categories.

Record-keeping: The assessor and his staff maintain orderly files in Lyon County without the use of individual file folders. Accounts are very well organized and contain only pertinent data. Lyon County reports a 95% rate of return on personal property declarations. All business and ranch declarations are filed alphabetically and are also very well organized. Aircraft records are filed alphabetically on cards, with a deactivated file being kept separately. During this year's study, the division noticed five years of correspondence kept on file and recommended purging these documents. The mobile home cards are filed numerically by personal property account number with the Dealer's Report of Sale or other pertinent data attached to the back. The department noted several of the mobile home accounts having no documentation. This was discovered to be due to unvalidated values from other counties listed on the moving permits. The department recommends checking the validity of these taxable values with the appropriate county in which the moving permit was obtained. This procedure will provide the staff with the necessary documentation that should be included in a file. If there is no documentation, or the source is questionable, the Policy and Procedures Manual recommends two methods to be used to assign a taxable value:

1. Use a comparable mobile home. The mobile home comparison book would be a good reference, matching the year, make, model and size. Checking by the model name first may provide a more detailed value. To assign the most accurate value, use only the values with the Dealer's Report of Sale as the source.
2. Use an original/retail-selling price found in a "blue book", such as the Kelly Blue Book. Be certain that the cost is the original selling price and not a market value. Avoid using resources that contain only market data and recommended selling prices, such as the N.A.D.A. book.

The division strongly recommends keeping all documentation (copies of comparable values, which book/source used, etc...) on file.

Business/Agricultural Property: The assessor and his personal property staff do an exceptional job of valuing this category, which resulted in a near perfect ratio. The division examined seventy-two accounts in these categories with no outliers discovered. However, there were a few minor class life errors found throughout the study. In general, the number of errors recorded for the categories are far less than would be expected. The division recommends referencing the Policy and Procedures Manual property-type method (page 10-8) for items not specifically named in the N.A.C. list. This procedure would eliminate the class life errors noted previously. Measures of central tendency were 35.0 percent with coefficients of dispersion of .45, .35, .06, and 5.41 percent respectively. Overall, this category was excellent.

Mobile Homes: Lyon County has a large number of mobile homes in relation to the size of the county, and the growth in this property type is increasing each year. The division examined three hundred fourteen accounts in this category and although there were 2 errors, they were insignificant and caused no outliers. The first was due to an incorrect year, while the second was due to freight charges not added to the mobile home value. The real property items, which are maintained in separate files from the unsecured mobile homes, are updated each year with the correct depreciation, and then added to the appropriate taxpayer bill. The assessor and staff are doing an excellent job in discovering and valuing the over 6,000 mobile homes in this property category. The division considers Lyon County's management of this property type to be one of the most efficient in the entire state. Measures of central tendency were 35.0 percent with a coefficient of dispersion of .02 and .03 percent respectively. 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 satisfactory. All billboard accounts reviewed are being depreciated correctly, with each billboard being entered as a separate line item. Each year, a printout is sent to each taxpayer for review. There are a total of eight billboard accounts in Lyon County. The division has examined half of the accounts, resulting in one outlier. It is recommended that one account, Interstate Logos Inc., be changed to an equipment account based on the declared items being 2 exit signs and not actual billboards. The other error noted was a small discrepancy in the dollar amount of an item in Young Electric Sign Company's declaration. Measures of central tendency were 35.0 percent, with a coefficient of dispersion of 8.84 percent.

Aircraft: There are 79 aircraft located within Lyon County, of which 12 were studied. One error was found due to an incorrect acquisition year. However, this error did not result in an outlier. The median ratio for this property category was 35.0 percent with a coefficient of dispersion of .01 percent.

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

Billing/Collection (penalties applied, seizure and sale): Billing and collection procedures in the county continue to improve with a very aggressive approach to collections. All appropriate penalties are being added and collected on delinquent accounts. There were three hundred seventy-eight intent-to-seize letters mailed to delinquent taxpayers this year. Last year, the assessor seized a large number of homes and then was held responsible for hiring a company to remove the homes that had not been sold. The homes that the assessor was responsible for removing caused quite a loss in the county, resulting in their reluctance to seize older mobile homes. The county has reduced delinquency in business accounts by passing an ordinance that prohibits the renewal of a business license unless the personal property taxes are paid. The assessor and his staff apply an estimated assessment increase of 20 percent per year to all non-filers in the county. The division rates the overall collection effort in Lyon County very high. The personal property department of Lyon County is a well-run organization, with a conscientious, motivated, and helpful staff.

OFFICE PROCEDURES

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

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

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

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most major improvements. The estimator updates are downloaded into the computer once each year at the beginning of the work year. The October 1999 update is used for the commercial property and the September 1999 update is used for the residential property. The assessor has two copies of the Assessor's Handbook of Rural Building Costs, two copies of the Marshall and Swift Residential Handbook, and two copies of the Marshall and Swift Commercial Cost Manual. All of the manuals have been correctly updated. The assessor's miscellaneous building program, which is based on the Marshall and Swift cost manuals and the Assessor's Handbook of Rural Building Costs, is used to value most of the minor improvements and agricultural improvements.

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

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

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

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

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

Obsolescence: The assessor routinely compares sales prices to taxable value to determine whether obsolescence is necessary. Usually the property owner brings the problem to the attention of the assessor.

Market evidence to support a reduction is often unavailable. Such cases are referred to the county board of equalization for consideration. During this fiscal year, there were no adjustments for obsolescence applied to any properties in Lyon County.

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

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

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this ratio study, appraisal Group 2, which includes Yerington, Smith Valley, and some general county parcels was reappraised. These areas involve approximately 11 percent of the county. In 1999, appraisal Group 1, which includes the Silver Springs and Stagecoach areas was reappraised. This area represents approximately 33 percent of the parcels in the county. In 1998 appraisal Group 5, which includes Dayton, Mound House, Silver City, and Carson Plains was reappraised. This area involves approximately 21 percent of the county. In 1997 appraisal Group 4, which includes Fernley and the surrounding area was reappraised. These areas represent 20 percent of the county. In 1993 appraisal Group 3, which includes Mason Valley, Willowcreek GID, Weed Heights, and some general county parcels was reappraised. These areas represent 15 percent of the county. The appraisal cycle is geographic in nature, and works well for the assessor and his staff.

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

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

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

**MINERAL COUNTY
2001-02 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.8	33.6	5.4%	28
IMPROVEMENTS	34.6	33.3	7.8%	20
IMPROVED LAND	35.0	34.5	2.4%	20
VACANT	35.4	35.4	0.7%	8
SFR IMPROVEMENTS	34.5	33.6	8.0%	15
SFR LAND	35.0	34.3	2.6%	15
SFR TOTAL	34.4	33.7	6.8%	15
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	34.6	32.9	7.0%	5
COMM & INDUSTRIAL LAND	35.0	35.2	1.7%	5
COMM & INDUSTRIAL TOTAL	34.7	33.2	6.5%	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
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	34.9	0.61%	79
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	0.68%	6
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.0	0.33%	31
MOBILE HOMES	35.0	34.8	0.80%	42
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	0.86%	107
AIRCRAFT	35.0	35.0	0.16%	4
AGRICULTURAL	33.4	33.1	15.13%	3
BILLBOARDS	35.0	35.0	0.01%	5
COMMERCIAL-INDUSTRIAL	35.0	35.0	1.34%	32
MOBILE HOMES	35.0	35.0	0.01%	63
TOTAL PERSONAL PROPERTY	35.0	35.0	0.75%	186

MINERAL COUNTY
2001-2002 RATIO STUDY

Mineral County's reappraisal area includes Luning, Mina, and Mina-Sinnott as well as the general county in the surrounding area. This area includes 891 nonagricultural parcels and 38 agricultural parcels, which are 25 percent of the total parcels in the county. The Division's appraiser studied 15 single-family residential (5.32%), five commercial (8.00%), and eight vacant samples (1.76%). An agricultural sample was not chosen this year because these parcels were appraised by the Department's agricultural appraiser the previous year (1999). The economy of Mineral County is in decline due to some mine closures and lay-offs at the Army Ammunition Depot. Since 1998, population counts have declined 11.7% in Hawthorne and 5.3% in the entire county.

STUDY RESULTS

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

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

Sales Verification: In recent years, the assessor would send verification questionnaires to each grantee, as well as direct contact with as many grantees as possible. However, due to budget constraints, in 1999, the assessor discontinued sending sales questionnaire to buyers or sellers of real property. The Department believes that questionnaires should be sent to the principals involved in each vacant land sale. If the economy of Mineral County continues to deteriorate, it will be important to verify the improved sales in order to correctly apply obsolescence. If questionnaires are not an option, the assessor should subpoena title company records in order to verify the data. It has been recently reported by the assessor that beginning January 2001 sales questionnaires are sent to all buyers and sellers of real property. This task is accomplished using a staff volunteer.

Sales Database: The assessor maintains a sales data bank on the county's computer with all sales for the past five years included. In addition, the assessor maintains a set of current parcel maps with the last five years of sales delineated with any other pertinent information included. The assessor is receiving cooperation from the Bureau of Indian Affairs who sends a listing of sales data each year for parcels sold on the Schurz Indian Reservation. A review of this data shows it to be correct, however some data could be better verified.

Vacant Land (excluding agricultural property): Eight vacant properties were sampled in this study, and all were within median ratio parameters. The sample resulted in a median ratio of 35.4 percent and a coefficient of dispersion of 0.7 percent. It is evident that the assessor is correctly valuing vacant property.

Subdivision Analysis: The assessor has analyzed all qualified subdivisions in Mineral County. Three subdivision ownerships qualified for analysis for the 2001-2002 tax year. The assessor is keeping track of the sales in these three subdivisions on a yearly basis to see if the current absorption rate needs to be adjusted. A review of the assessor's methods, and resulting land values, shows them to be correct. The assessor has analyzed all qualified subdivisions in Mineral County. The assessor's staff calculated and applied the appropriate land values as directed by NAC 361.129 and NAC 363. 1295. A review of the assessor's backup material determined that the method used and the resulting values are correct.

Single-family Residential Land: Fifteen properties were sampled in this study. The assessor is correctly valuing single-family residential land using a site value approach. The sample resulted in a median ratio of 35 percent and a coefficient of dispersion of 2.6 percent.

Multi-family Residential Land: There were no multi-family residential samples in the reappraisal area.

Commercial and Industrial Land: Five properties were sampled in this study, and all were within ratio parameters. The assessor used the Front Foot method of valuation to value the commercial and industrial land. The sample resulted in a median ratio of 35 percent, a coefficient of dispersion of 1.7 percent, and shows that the assessor is correctly valuing this property type.

Factors: The assessor is using the sales data bank when establishing land factors. Due to the few 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 values. Several parcels were reviewed, and it was determined that the assessor correctly applied the land factors. The assessor has a good understanding of the land factor program.

Single-family Residential Improvements: Fifteen improved single-family residential properties were included in the study. Only one of these properties was not within ratio parameters. This was due to some minor improvements on the property not being valued. The sample resulted in a median ratio of 34.5 percent and a coefficient of dispersion of 8.0 percent.

Multi-family Residential Improvements: There were no multi-family residential samples in the reappraisal area.

Commercial and Industrial Improvements: Five improved commercial and industrial properties were included in the study. One parcel was out of tolerance. Again, this was due to some minor improvements not being valued. The sample resulted in a median ratio of 34.6 percent and a coefficient of dispersion of 7.0 percent.

Minor Improvements: Most minor improvements are being properly accounted for and valued by the assessor. However, on parcels having low improvement values, such as mobile home parcels, nearly any discrepancy will produce unacceptable ratios.

New Construction Valuation: The assessor values new construction throughout the year as building permits are received. The Department reviewed several properties having new construction and determined that they are being correctly valued and depreciated.

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 59 deferred agricultural parcels in Mineral 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: Mineral County has no higher use areas (multi-residential or commercial) on agricultural land.

Agricultural Land Conversions: There has been no agricultural property converted to higher use in Mineral County in recent years. Therefore, no deferred taxes have been billed. The assessor has recently calculated taxable values (non-ag) for each parcel.

Assessment Maps: The Lyon County Mapping Department prepares the parcel maps for Mineral County. The maps are of good quality and are easy to use.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Summary or referral parcels are not used in Mineral County. All parcels, including exempt parcels, are identified and included in the assessor's computer system but are not included in the published roll.

PERSONAL PROPERTY

Discovery: Mineral County does a good job of identifying personal property within the county. The few aircraft located in the county are tracked through FAA reports and airport inspections. Mobile homes are discovered through trip permits, field inspections, building permits, and Dealer's Report of Sales (DRS's) from Nevada mobile home dealers. New agricultural activity is discovered through agricultural applications. Business licenses are required for all business properties. Mineral County gets a bi-weekly list of business licenses from the clerk's office, and sends out declarations to new businesses. This discovery process is effective for the county.

Record-keeping: The county continues to keep a well maintained and organized personal property filing system. Mobile home files are maintained in separate folders and are filed by account number. These files are exceptionally clean and orderly, and all outdated information is removed from the files. The files are color coded for each year, for conversions to real property, and for deactivated files. Aircraft, billboards, agricultural, and commercial accounts are filed in individual file folders and are filed by account number. These files are free of unnecessary or outdated documentation.

Agricultural: Mineral County has a minimal number of agricultural properties. The Division's sample included nine agricultural accounts which is approximately 70 percent of this property category. Of the samples reviewed, only one outlier was discovered. This was due to the use of an incorrect life-table. All measures of central tendency were between 33.4 and 35 percent, with coefficients of dispersion of 0.68 and 15.13 percent.

Business Property: This sample consisted of 53 business accounts, with only one out of tolerance. This category is much improved over the last ratio study where 12 outliers were noted. The outlier was the result of incorrect class. All measures of central tendency were 35 percent, with coefficients of dispersion between .33 and 1.34 percent.

Mobile Homes: Of the 105 mobile homes sampled, only one outlier was determined. This was due only to an input error. The sample resulted in a perfect ratio of 35 percent, with coefficients of dispersion between 0.01 and 0.80 percent. The assessor and staff are doing a good job of assessing this type of property.

Billboards: All the billboard accounts were reviewed, and no outliers were discovered. This category is being correctly assessed, and also had a perfect ratio of 35 percent, with a coefficient of dispersion of 1.34 percent.

Aircraft: There are four aircraft located in Mineral County. All were reviewed and determined to be correctly assessed. This sample resulted in a median ratio of 35 percent, with a coefficient of dispersion of 0.16 percent. The assessor and staff have improved greatly since the last ratio study in assessing this property type.

Migratory Property: The county does not currently have any migratory property. They are aware of the correct procedure to assess migratory property. The assessor is correctly assessing mobile homes that are expected to remain in the county for the first time on the next tax roll.

Billing/Collection (penalties applied, seizure, and sale): The assessor and staff are applying the correct penalties and interest to delinquent accounts as per statutes. A considerable amount of improvement has been made in this area since the last ratio study. The assessor's office now takes partial payments, and this has decreased the total of delinquent accounts. The assessor and staff have been pursuing delinquent accounts through aggressive letter writing and phone calls. Several seizure letters have been sent, however, no seizures have been made. The assessor says that due to a staffing shortage, seizure and sale is impossible at this time. They have turned over several delinquent accounts to the District Attorney's office for collection. They have several older accounts that are considered uncollectable. They intend to take these accounts before the Mineral County Board of Commissioners to have them removed from the tax roll. Prior to the 1998-1999 tax year, the county had approximately \$11,500 in delinquent personal property accounts. Prior to the 2000-2001 tax year, the amount outstanding was \$7,383. Since July 1, 2000, the assessor's office has collected approximately \$5,393 in delinquent taxes. The assessor and staff are to be commended for their efforts.

OFFICE PROCEDURES:

Possessory Interest Valuation - Real & Personal Property: There are twenty-one possessory interest properties in Mineral County. This includes the Army Ammunition Depot operated by DZHC, the housing that is rented to individuals at the depot and operated by DZHC, the golf course owned by the Army and operated for a profit, the bowling alley owned by Mineral County and operated for a profit, and nine individually owned industrial improvements at the county owned industrial complex near the Hawthorne Airport. All but five properties have both land and improvement values, and are assessed on the unsecured tax roll. The five hangers at the county owned airport have only an improvement value pursuant to NRS 361.157 (2a). The Army Ammunition Depot also has a value for the personal property used by the contractor, DZHC. The assessor is reappraising those parcels associated with the Army Ammunition Depot for the current year.

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

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer cost estimator program to value the majority of major improvements. The estimator updates are down-loaded into the computer once each year at the beginning of the work year. The September 1999 update is being used for residential property, while the October 1999 update is being used for commercial property. Minor improvements are valued using costs from the Rural Building Cost Handbook and the Marshall and Swift manuals. The assessor has one copy each of the Rural Building Cost Handbook and Marshall and Swift Commercial and Residential Cost manuals. The assessor receives updated versions of each annually.

Appraisal Records: Most of the information in the files is correct, complete, and up to date. The files include a picture and drawing of the improvements, a Marshall and Swift cost printout, and costs for auxiliary improvements. Most of the old obsolete data has been removed from the files and stored elsewhere.

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 reports required of the assessor were correctly completed and delivered on time.

Appeal Preparation and Presentations: For the current tax year, there were no appeals to the Mineral County Board of Equalization. In the past the assessor has done a good job of preparing for and presenting the county's position at the board of equalization hearings.

Reopened Roll Log: The roll log is required by NRS 361.210 to be received by the division on or before October 31, 2000. The roll log submitted by Mineral County was received on July 21, 2000, and was completed correctly. The log contained twelve pages of changes to the roll. Most were increases due to new construction or parcel splits and some corrections due to factual errors.

Obsolescence: Obsolescence has been applied to thirty-six properties in Mineral County. Most are the result of the improvement being in poor condition due to neglect or vandalism and were reduced using an estimated cost to cure method. In addition, several were reduced due to taxable value exceeding full cash value pursuant to NRS 361.227(5). The assessor reviews all properties receiving obsolescence annually to determine if the deficiencies have been corrected. The Department reviewed several of these properties and determined that the assessor's methods of applying obsolescence, and the resulting values, are reasonable.

New Construction: It is critical for the budget process that new improvements be valued and added to the roll in a timely manner. New construction is discovered through the use of the city/county building permit system. Nearly all new construction is discovered in this manner. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll is included on the roll log. A review of several parcels with new construction shows that the improvements are being correctly valued and depreciated.

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

Appraisal Cycle: The assessor uses a five-year reappraisal cycle. During this year's cycle, Books 2, 3, and portions of Books 6 and 7 were reappraised. This area represents approximately 23 percent of the county and includes Mina, Luning, and parcels south, and the U.S. Army Base. In 1999, portions of Books 5, 6, and 8 were reappraised and includes Schurz and the outside north area. This area represents approximately 21 percent of the county. In 1998, portions of Books 1, 6, 7, and all of Book 5 were reappraised. This included the south half of Hawthorne, Walker Lake, and fifty-three agricultural parcels. This area represents approximately 32 percent of the county. In 1997, a portion of Book 1, which is the north half of Hawthorne less the subdivisions, was reappraised. This area represents approximately 18 percent of the county. In 1996, approximately 14 percent of the county was reappraised. This included a portion of Book 1. This portion of Book 1 is the subdivisions in Hawthorne. This appraisal cycle works well for the assessor and is manageable with the current staff.

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

Appraiser Certifications: There is currently one certified real property appraiser in Mineral County. The Department recommends that a staff members become certified to appraise personal property.

Appraisers Training Requirements: The Mineral County staff appraiser is in compliance with NRS 361.221 and NRS 361.223. Additional training hours will be needed by year 2006.

**NYE COUNTY
2001-02 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.7	33.7	3.0%	217
IMPROVEMENTS	34.4	33.4	4.0%	197
IMPROVED LAND	35.0	34.9	1.2%	197
VACANT	35.4	35.2	0.8%	20
SFR IMPROVEMENTS	34.4	33.6	3.7%	134
SFR LAND	35.3	34.9	1.3%	134
SFR TOTAL	34.5	33.8	3.1%	134
MULTI IMPROVEMENTS	34.9	33.0	3.3%	23
MULTI LAND	35.0	34.9	1.0%	23
MULTI TOTAL	34.8	33.3	2.7%	23
COMM & INDUSTRIAL IMPROVEMENTS	34.1	33.4	5.3%	40
COMM & INDUSTRIAL LAND	35.0	34.9	0.7%	40
COMM & INDUSTRIAL TOTAL	34.4	33.8	3.5%	40
RURAL IMPROVEMENTS	0.0	0.0	0.0%	0
RURAL LAND	0.0	0.0	0.0%	0
RURAL TOTAL	0.0	0.0	0.0%	0
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	0.17%	284
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	34.9	0.96%	17
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	35.1	1.42%	22
MOBILE HOMES	35.0	35.0	0.00%	245
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	35.0	0.50%	542
AIRCRAFT	35.0	35.0	0.04%	23
AGRICULTURAL	35.0	35.0	0.00%	1
BILLBOARDS	35.0	35.2	0.97%	10
COMMERCIAL-INDUSTRIAL	35.0	35.0	1.96%	98
MOBILE HOMES	35.0	35.0	0.16%	410
TOTAL PERSONAL PROPERTY	35.0	35.0	0.38%	826

NYE COUNTY
2001-2002 RATIO STUDY

Nye County's reappraisal area includes Tonopah and that portion of Pahrump south of Charleston Park Avenue and north of Gamebird Road. The reappraisal area contains 16,640 nonagricultural parcels (12,601 vacant) and 1 agricultural parcel. The division's appraiser studied 134 single-family residential (4.3%), 23 multi-family residential (8.9%), 40 commercial/industrial (14.5%), and 20 vacant samples (0.2%). Fifty-five of these samples are located in Tonopah, with one hundred forty-two located in the Pahrump area. Pahrump Valley has seen significant growth in both population and increasing property values due to its proximity to Las Vegas. Numerous corporations have expanded their businesses into the area including Albertson's, McDonalds, and Big-O Tires to name a few. Two projects underway in the Pahrump area include a new bank on Highway 160 and a major casino at the intersection of Highway 160 and Highway 372. The current economic downturn in Tonopah has had a significant effect on the commercial properties in the business district. Many businesses have closed, and the buildings remain empty. Residential properties have been impacted to a lesser degree. Market activity over the past five years has been very slow.

STUDY RESULTS

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

PERSONAL PROPERTY

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

OFFICE PROCEDURES

Possessory Interest Valuation – Real Property	3
Possessory Interest Valuation – Personal Property	3
Statutes and Regulations	3
Cost Manuals and Systems	3
Appraisal Records	3
Filing System	3
Reports	3
Appeal Preparation and Presentations	3
Reopened Roll Log	3
Obsolescence	3
New Construction	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

Sales Collection: The county recorder sends to the assessor copies of recorded deeds and declarations of value. These documents are the basis for the assessor's sales data bank. In the Pahrump area, sales are numerous with sale prices increasing. In Tonopah, sales are few with sale prices stable or slightly lower, but without enough volume to establish a trend.

Sales Verification: 2

Analysis: Very little is done to verify sales data. The declarations of value are relied upon exclusively for verification. In previous years, the assessor has sent letters and questionnaires to all buyers and sellers of vacant property, but has discontinued this procedure due to budgetary constraints.

Recommendations: The Department recommends that the assessor verify sales data either by the letter/questionnaire method, and/or by reviewing title company files. Either method will accomplish the goal of confirming the particulars of each sale. It is vital that all vacant sales be verified because they are the basis for the assessor's assigned land values and the land factor analysis.

Sales Database: The database includes all sales and information needed for verification and analysis; however, sales are not verified and are therefore lacking in this respect.

Vacant Land (excluding agricultural property): Twenty vacant land parcels were sampled in this study and all were within ratio parameters. The assessor used similar vacant sales in the different areas with which to set the land values. The sample resulted in a median ratio of 35.4 percent and a coefficient of dispersion of 0.6 percent.

Subdivision Analysis: The assessor has reviewed all qualified subdivisions in the county. For the 2001-2002 tax year, there is one subdivision in the north and fifteen in the south that qualified for analysis. A review of the assessor's methods, and resulting land values, indicated that the assessor is correctly valuing this property type pursuant to NAC 361.129 and NAC 361.1295.

Single-family Residential Land: One hundred thirty-four improved single-family residential land parcels were sampled in the study and all were within ratio parameters. The assessor values residential land properly. The assessor's land values were based on unverified vacant land sales of comparable size parcels. Site value was the unit of comparison most used in the Pahrump area. Due to the lack of vacant land sales in Tonopah, land values generally remained relatively unchanged. The sample resulted in a median ratio of 35.0 percent and a coefficient of dispersion of 1.1 percent.

Multi-family Residential Land: Twenty-three improved multi-family residential land parcels were sampled in the study and all were within ratio parameters. The assessor's land values in the Pahrump area were based on unverified vacant sales of similarly situated and comparable size parcels. Due to the lack of vacant land sales in Tonopah, land values generally remained relatively unchanged. The sample resulted in a median ratio of 34.8 percent and a coefficient of dispersion of 0.9 percent.

Commercial and Industrial Land: Forty improved commercial/industrial land parcels were sampled in the study and all were within ratio parameters. The assessor values commercial and industrial land properly. Commercial land values in Pahrump were confirmed by sales of comparable similarly situated parcels. Due to the lack of vacant land sales in Tonopah, land values generally remained. The sample resulted in a median ratio of 34.8 percent and a coefficient of dispersion of 0.6 percent.

Factors: Land factors were derived from an analysis of vacant sales and were applied correctly. The assessor and staff have a good grasp of factoring methods and procedures. The division compared the 2000-2001 tax roll to the 2001-2002 tax roll and determined that the land factors had been correctly applied.

Single-family Residential Improvements: One hundred thirty-four improved single-family residential properties were sampled in the study. Ten samples were not within ratio parameters. The assessor used an incorrect version of the Marshall and Swift Residential Estimator Program. This error resulted in a lower base cost on each improvement, and contributed to several parcels being out of statutory limits. Minor discrepancies in measurement and quality classes were also noted in this study. This also contributed to several parcels being out of statutory limits. The assessor is including all fences, concrete flatwork, and decks in the current appraisals. The sample resulted in a median ratio of 34.0 percent and a coefficient of dispersion of 3.5 percent.

Multi-family Residential Improvements: Twenty-three improved multi-family residential properties were sampled in the study. Two samples were not within statutory limits due to the assessor using an incorrect version of the Marshall and Swift Residential Estimator Program. This error resulted in a lower base cost. One sample was not within statutory limit due to the use of an incorrect occupancy category (townhouse vs multi-family). Only minor discrepancies in measurements were noted in this study. The sample resulted in a median ratio of 34.3 percent and a coefficient of dispersion of 3.2 percent.

Commercial and Industrial Improvements: Forty improved commercial/industrial properties were sampled in the study. Seven samples were not within statutory limits due to discrepancies in minor improvements and quality class designations. The sample resulted in a median ratio of 33.4 percent and a coefficient of dispersion of 5.0 percent.

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

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

Agricultural Land: N/A

Agricultural Land Records: N/A

Agricultural Land Classification Maps: N/A

Agricultural Bulletin Use: N/A

Residential Homesite Valuation: N/A

Agricultural Improvements: N/A

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

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

Agricultural Land Conversion: The assessor had one parcel totaling 18.46 acres converted from agricultural use to residential or commercial/industrial use for the calendar year 2000. A review of the assessor's calculations for deferred taxes found them to be correct.

Assessment Maps: The county planning department is responsible for creating and updating the maps. The maps are of good quality, but are in the process of being converted to an auto-cad system. However, the map indexing system is antiquated and in need of improvement.

Prescribed Parceling System: The assessor uses the prescribed parceling system. Summary parcels are no longer used in Nye County. The assessor has platted all exempt land on the parcel maps. However, most exempt parcels such as BLM and U. S. Forest Service are excluded from the assessment process and are not identified in the assessor's computer system or included on reports. The assessor is working toward correcting this problem.

PERSONAL PROPERTY

Discovery: Discovery of personal property in Nye County has improved since the last ratio study. Business licenses are required in the towns of Tonopah and Pahrump, and are utilized by the staff to discover new businesses. Other sources of discovery include fictitious name reports, field inspection, and review of newspapers and phone books. Mobile homes still present a problem in the discovery area. Building permits are not required for mobile homes. The staff uses Dealer's Reports of Sale (DRS's), septic tank inspection reports, and moving permits combined with field inspections to locate new mobile homes. This could create a long time period between moving into the county, and actually having the mobile home added to the tax roll. This may also contribute to a problem of property escaping taxation. Until the county mandates the use of building permits on all construction, the division recommends that the appraisers schedule regular field trips several times a year with the main focus being on mobile home discovery.

Record-keeping: The county continues to improve in this category. Personal property files are maintained in the office in which they are geographically located. In prior years, they were all housed in the Tonopah office. Since the last ratio study, the Pahrump office has started moving the mobile home files from index cards to individual file folders for each mobile home account. At the time of the division's study, this task was still in process and not fully implemented. Prior ratio studies recommended purging old declarations and other unnecessary documentation. Both offices have made improvement in this area. The division commends the assessor and staff for the work done in improving record keeping. The business and ranch declarations are filed in individual folders and are filed alphabetically for unsecured accounts, and numerically for secured accounts. The Tonopah office continues to maintain the mobile home records, including the Dealer's Report of Sale attached to the back of alphabetically filed cards. One problem was noted with this system. When property is transferred, the staff develops a new index card and transfers data to the card; however, they haven't been attaching the original DRS to the most recent file card. The division recommends that a copy of the original DRS be attached to the new file card.

Business/Agricultural Property: These two categories were reviewed extensively and both offices are doing a good job assessing these property categories. During the division's review of the Pahrump office, a problem was noticed that gave cause for alarm. A taxpayer reported a real property item of considerable value on the personal property declaration that was being picked-up as real property also. Good communication between real property and personal property sections is essential to ensure no taxpayer is being taxed twice under both categories. The last ratio study noted several outliers in the Pahrump office due to incorrect class life assignments. Of seventy-nine business and agricultural accounts reviewed in the Pahrump office, nine outliers were discovered. Several of these outliers involved older equipment, and were input by a prior staff member. Since the division's review, there has been a staff change in this area and the person assigned to this task is doing a good job with applying correct class life assignments. Some of the other outliers were the result of incorrect class life, two were due to consumables being included, and one had an estimated assessment for non-filing that should have been removed after the new declaration was received. Of the sixty business and agricultural accounts reviewed in the Tonopah office, two outliers were noted. These were due to an input error and an incorrect class life on one account. All measures of central tendency were between 34.46 and 35.11 percent with coefficients of dispersion ranging from .37 to 8.51 percent.

Mobile Homes: There were only four outliers discovered from 655 mobile homes reviewed. Two of the outliers were a result of sales tax being included, and two were due to accessories not being included. Real property improvements associated with the mobile homes are being valued and depreciated correctly. All measures of central tendency were 35 percent with coefficients of dispersion between .16 and .39 percent. This property category is very well managed and the assessor and staff should be commended for their efforts.

Migratory Property: Mobile homes that arrive in the county after the July 1st lien date are added to the computer database and billed in the next tax year. The county has some construction companies and other migratory property that move in and out of the county. They are pro-rating the tax as required by NRS 361.505.

Billboards: Approximately 50% of the billboard accounts were reviewed with no outliers noted. The assessor and her staff are doing a good job in this area of assessment. This category had a perfect ratio of 35 percent.

Aircraft: The division reviewed almost the entire population of aircraft within the county and none were found to be out of tolerance. This property category also had a perfect ratio of 35 percent.

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

Analysis: The collection of delinquent accounts is at unacceptable levels. The assessor has been in office for two years and has inherited a mountain of uncollected accounts; however, things have only become worse. For the 1999-2000 tax year, there are over 250 mobile home accounts that are delinquent totaling over \$43,000. The total in delinquent taxes for all unsecured accounts prior to the 2000-2001 billing, including oil and gas leases, is approximately \$250,000 (including penalties and interest). Letters have been sent to taxpayers on delinquent accounts with little or no results.

Recommendation: A comprehensive and aggressive plan of pursuing delinquent accounts must be adopted by the assessor's office and given top priority. The division recommends that the assessor and staff follow the procedures set forth in statute for non-paying accounts, and discuss the best way to manage these accounts with the District Attorney. Any non-collectable accounts over five years should be taken to the county commissioners and removed from the roll.

OFFICE PROCEDURES

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

Possessory Interest Valuation - Personal Property: Personal property declarations are received each year from most contractors at the Department of Energy Nevada Test Site north of Las Vegas. Assessments are calculated based on these submissions. There are a total of five contractors at the Nevada Test Site. Many of these same contractors also operate at the Tonopah Test Site. However, there are other contractors from which the assessor has been unable to gather any information regarding their personal property. The assessor must continue to make every effort to discover property used by contractors at the test sites. It may also be necessary for the assessor to make estimated assessments pursuant to NRS 361.265(4).

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

Cost Manuals and Systems: The assessor uses the Marshall and Swift computer estimator program to value most major improvements. The programs are updated annually at the beginning of the work year. The October 1999 update is used for the commercial property and the September 1999 update is used for the residential property. In early 2000, the Department found that the September 1999 Marshall and Swift Residential Program, first release, contained errors that would produce incorrect building values. A subsequent release (7.3.13) was received, tested, and determined to be the correct version. All assessors were contacted via letter in July with an expression of concern and a recommendation that only release 7.3.13 be used to value residential improvements, and that earlier versions be discarded. This problem did not solely cause any outliers, but was a contributing factor. The assessor maintains several updated Marshall and Swift Residential Cost Handbooks, several Marshall and Swift Commercial Cost Manuals, and several Assessor's Handbook of Rural Building Costs. These manuals are used to value most minor improvements.

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

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

Reports: All of the many reports required of the assessor were correctly completed and delivered on time. However, because most exempt parcels are not identified in the assessor's computer system, they are also not reported in the Statistical Analysis of the Roll.

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

Reopened Roll Log: The roll log required by NRS 361.3104 to be received by the division on or before October 31, 2000, was completed but was not sent until a later date. A review of the roll log found that a number of changes were not included. This was due to a computer program problem. The assessor was not able to correct this report.

Obsolescence: The assessor compares sales prices to taxable value on a regular basis to determine whether taxable value is exceeding full cash value on any properties. The assessor has reduced the values of one hundred thirty-four properties northwest of Tonopah using obsolescence of 13 percent. The amount is based on a sale ratio study conducted by the assessor. All properties in the Tonopah area have been depressed for some time due to a mine closure and a scale down of operations at the Tonopah Test Site. A review of the data shows the 13 percent reduction is appropriate.

New Construction: The town of Pahrump has a building permit system. This system is relatively new and requires a permit for major improvements. A permit is not required with other improvements such as sheds, patios, or additions. Most of Nye County has no building permit system. The assessor uses occupancy permits associated with new septic systems to discover new mobile homes and residences, and travels throughout the county to discover other improvements. New construction that is discovered before the close of the roll in December is included at that time. New construction that is discovered after the close of the roll, but before July 1st, is included on the roll log. A review of several parcels of new construction shows that the new improvements are being correctly valued and depreciated. Without a building permit system, new construction can only be discovered through a parcel by parcel canvas of the area. This method of discovery is very inefficient and requires a significant commitment of manpower and equipment.

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

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

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

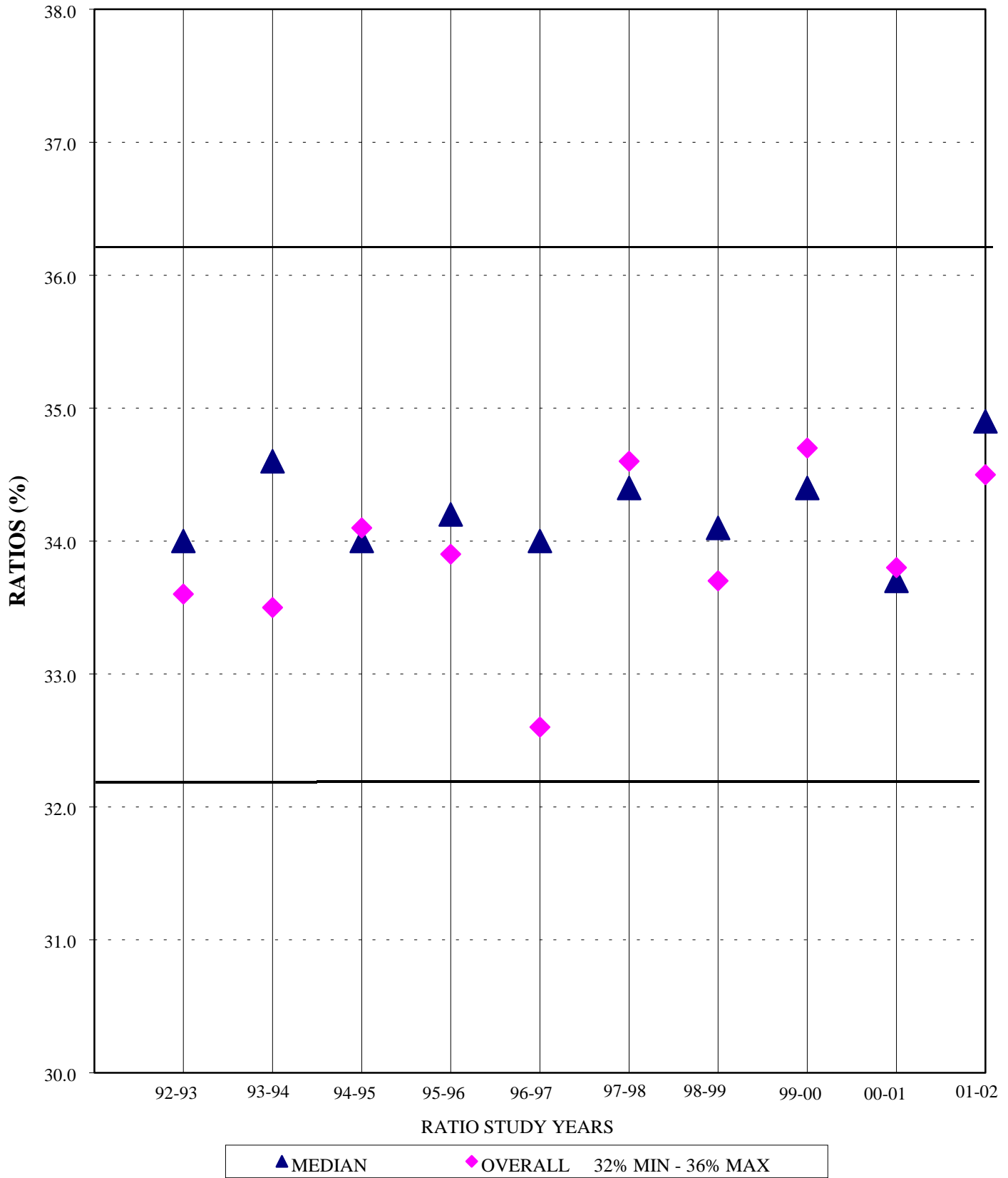
Appraiser Certification: The assessor and seven real property appraisers are all certified to appraise real property. The Department recommends that a staff member be certified to appraise personal property.

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

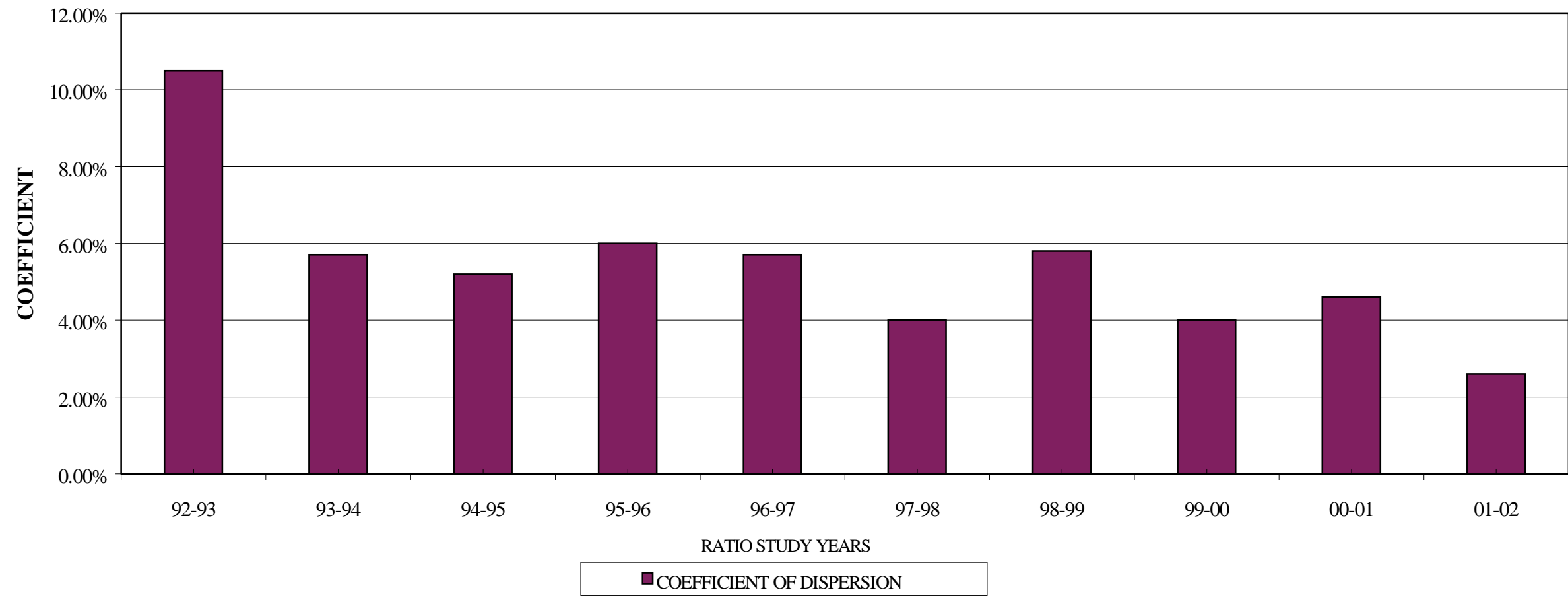
REAPPRAISAL AREA - ALL PROPERTY

TEN YEAR COMPARISON

MEDIAN VS OVERALL



**REAPPRAISAL AREA - ALL PROPERTY
TEN YEAR COMPARISON**



**STATEWIDE SUMMARY
2001-2002 RATIO STUDY**

REAL PROPERTY	MEDIAN RATIO	OVERALL RATIO	C.O.D. MEDIAN	SAMPLE SIZE
ALL PROPERTY	34.9	34.5	2.6%	692
IMPROVEMENTS	34.9	34.3	3.4%	589
IMPROVED LAND	35.0	34.7	2.1%	599
VACANT	35.0	34.8	2.0%	93
SFR IMPROVEMENTS	34.9	34.5	3.4%	413
SFR LAND	35.0	34.8	1.6%	413
SFR TOTAL	34.9	34.7	2.6%	413
MULTI IMPROVEMENTS	35.0	34.0	2.6%	62
MULTI LAND	35.0	34.4	1.4%	62
MULTI TOTAL	34.9	34.2	2.1%	62
COMM & INDUSTRIAL IMPROVEMENTS	34.6	34.0	4.1%	106
COMM & INDUSTRIAL LAND	35.0	34.7	1.3%	107
COMM & INDUSTRIAL TOTAL	34.7	34.2	3.0%	107
RURAL IMPROVEMENTS	35.2	35.1	2.3%	8
RURAL LAND	35.0	34.8	21.2%	17
RURAL TOTAL	35.0	34.9	1.9%	17
SECURED PERSONAL PROPERTY				
ALL SECURED	35.0	35.0	0.39%	795
AIRCRAFT	0.0	0.0	0.00%	0
AGRICULTURAL	35.0	35.0	1.03%	91
BILLBOARDS	0.0	0.0	0.00%	0
COMMERCIAL-INDUSTRIAL	35.0	34.9	1.19%	97
MOBILE HOMES	35.0	35.0	0.16%	607
UNSECURED PERSONAL PROPERTY				
ALL UNSECURED	35.0	34.9	0.73%	1325
AIRCRAFT	35.0	34.8	0.39%	73
AGRICULTURAL	35.0	34.8	2.40%	30
BILLBOARDS	35.0	33.8	2.21%	26
COMMERCIAL-INDUSTRIAL	35.0	34.9	2.04%	305
MOBILE HOMES	35.0	35.0	0.21%	891
TOTAL PERSONAL PROPERTY	35.0	34.9	0.60%	2120