



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

STEVE SISOLAK  
*Governor*

1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7921  
Telephone (775) 684-2160  
Fax (775) 684-2020

Shellie Hughes  
*Secretary*

In the Matter of	)	Case No. 22-130
APN: 07-0471-13 and 07-0471-24	)	
Humboldt County Assessor,	)	
PETITIONER	)	
v.	)	
Battle Mountain Solar Project, LLC,	)	
RESPONDENT	)	
Appeal from Decision of the Humboldt	)	
County Board of Equalization	)	

NOTICE OF DECISION

**Appearances**

Mark Stafford and Andy Heiser appeared on behalf of the Humboldt County Assessor (Assessor).

Peter Michaels and David Grazda appeared on behalf of Battle Mountain Solar Project, LLC (Taxpayer).

**Summary**

The matter of the Assessor's petition for review of property valuation for real property on the 2021-2022 supplemental roll came before the State Board of Equalization (State Board) for hearing in Carson City, Nevada and via Zoom on June 29, 2022. The Humboldt County Board of Equalization (County Board) heard Taxpayer's property tax appeal on February 24, 2022. The subject property is a solar photovoltaic utility-scale power generating facility located in Valmy, Nevada, west of Battle Mountain, on two parcels comprising approximately 778.38 acres.

The State Board, having considered all evidence, documents and testimony pertaining to the petition, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

1. The State Board is an administrative body created pursuant to NRS 361.375.
2. The State Board is mandated to hear all appeals of property tax assessments pursuant to NRS 361.360 and NRS 361.400.

3. Taxpayer and Assessor were given adequate, proper and legal notice of the time and place of the hearing before the State Board, and the matter was properly noticed pursuant to the Open Meeting Law at NRS 241.020.
4. Assessor has the burden of proof pursuant to NAC 361.741.
5. The County Board reduced the taxable value determined by the Assessor to \$109,391,553.00 for both parcels combined based on the County Board's finding that the "total value would be based upon the [Taxpayer's] value which, takes into account, the federal credit less than the actual money expended." County Board Decision at Findings of Fact No. 5, SBE 105.
6. The County Board found in favor of Assessor that the improvements were not trade fixtures to be taxed as personal property. Taxpayer did not appeal the County Board's decision.
7. To value the improvements, the Assessor used an alternative cost method authorized by the Department of Taxation, because Marshall and Swift does not offer replacement cost for the subject property improvements. See NAC 361.128(4).
8. The Department of Taxation allowed Assessor to use the Trended Historic Cost or Trended Gross Book Cost. SBE 72.
9. Assessor presented evidence of the cost approach using the reported cost, not applying depreciation as the improvements were completed in 2021 and arriving at a taxable value of \$155,026,862. SBE 47.
10. Assessor applied the definition of "cost of replacement" under NAC 361.1117 to determine replacement cost of the subject property and testified that the law does not allow Assessor to apply the federal tax credit to the replacement cost.
11. Taxpayer successfully argued to the County Board that the federal tax credit of 30% should be deducted from Assessor's replacement cost calculation as provided on Taxpayer's Opinion of Value. SBE 42.
12. The federal tax credit is offered one time and would not apply to a subsequent buyer of the subject property.
13. Taxpayer testified that a reasonable sales price would be the cost including the tax credit if the subject property were sold after completion. The Taxpayer would not have built the project without the tax credit.
14. Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

#### **CONCLUSIONS OF LAW**

1. Taxpayer and Assessor are subject to the jurisdiction of the State Board.
2. The State Board has the authority to determine taxable values in the State.
3. Assessor failed to meet his burden to show the County Board's decision was in error.
4. Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

**DECISION**

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the State Board decided to uphold the County Board's decision regarding the inclusion of the investment tax credit to the cost of replacement which resulted in a reduction to the subject property's taxable value to \$109,391,553. The Petition is denied.

BY THE STATE BOARD OF EQUALIZATION THIS 24<sup>th</sup> DAY OF August, 2022.



Handwritten signature in blue ink, appearing to read "Shellie Hughes".

Shellie Hughes, Secretary