

Minutes of the Meeting
STATE BOARD OF EQUALIZATION
March 28, 2016
9:00 a.m.

The meeting was held at the State Legislative Building, Room 2134, 401 South Carson St, Carson City, Nevada and was video-conferenced to Grant Sawyer Building, Room 4401, Las Vegas, Nevada.

STATE BOARD MEMBERS PRESENT:

Benjamin Johnson, Acting Chairman
Dennis Meservy
Robert Schiffmacher
Al Plank
Keith Harper

COUNSEL TO BOARD

Dawn Buoncristiani

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Michael Clark	Washoe County
Josh Wilson	Washoe County
David Derman	Assessor's Office
Amanda Schweisthal	Retain Association of NV
Doug Scott	Carson City Assessor
Dorothy Fowler	Mineral County Assessor
Anthony L. Driver	Self

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Anita Moore
Jeff Mitchell
Harman Bains
Sorin G. Popa
Cheryl Erskine

Action on March 28, 2016:

Agenda Item A:

The acting Chairman made opening remarks and introduced Board Members Dennis Meservy, Keith Harper, Al Plank and Bob Schiffmacher.

Agenda Item B:

The acting Chairman called for Public Comment. There was none. Ms. Buoncristiani then swore in the witnesses. The acting Chairman explained the procedures for appeals before the State Board.

Agenda Item C:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll, by telephone conference call

16	113	Anthony L. Driver & Eva L. Driver	Vacant Land	Mineral County Assessor
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Anthony L. Driver appeared by telephone conference call (Taxpayer). Dorothy Fowler appeared by telephone conference on behalf of the Mineral County Assessor's Office (Assessor).

The State Board considered the evidence, documents and testimony submitted and found the Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the Assessor's data did not support a taxable value of \$7,500. After the State Board discussed an average value between the two comparable sales, Mr. Schiffmacher moved to reduce the taxable value to \$5,700 for the current tax year. Mr. Plank seconded the motion and the vote in favor of the motion was unanimous.

Agenda Item D:

For Possible Action: DIRECT APPEALS OF THE PROPERTY OF A MINE, TAX YEAR 2016-17 Secured Roll and 2015-16 Unsecured Roll

16 102 Grant Canyon Oil and Gas, LLC Mine Department of Taxation

No one appeared on behalf of Grant Canyon Oil and Gas, LLC (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board. Mr. Meservy moved to accept the stipulated agreement as presented. Mr. Plank seconded the motion. The vote was unanimous, and the motion carried.

16 107 J.S. Redpath Corporation Mine Department of Taxation

No one appeared on behalf of J.S. Redpath (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board. Mr. Plank recused himself from voting. Mr. Schiffmacher moved to accept the stipulated agreement between the Department of Taxation and the taxpayer. Mr. Harper seconded the motion. The vote was unanimous, and the motion carried.

16 112 Plum Mining, LLC Mine Department of Taxation

No one appeared on behalf of Plum Mining LLC, Goldspring Inc. dba Comstock Mines (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board. Mr. Schiffmacher moved to accept the stipulated agreement between the Department of Taxation and the taxpayer. Mr. Plank seconded the motion. The vote was unanimous, and the motion carried.

Agenda Item E:

Presentations by Department of Taxation staff

1. *General Overview*

a. Property Tax Timeline, Hearing Guidelines

Ms. Rubald discussed the reports published by the department regarding the property tax timelines for the secured and unsecured roll and net proceeds reporting dates. Briefly discussing the hearing guidelines and the quick reference guide included in the hearing packet.

b. 2014-2015 Statistical Analysis of the Roll

Ms. Rubald explained the Statistical Analysis and how it shows the demographic of various property types.

c. 2015-2016 Ratio Study

Ms. Rubald went over the ratio study for 15-16, which included Clark, Esmeralda, Eureka, Lincoln, Mineral and Storey Counties. She explained the legal range for the assessed value for every county was between 32 and 36 percent. Mineral County was the only one below the range. Ms. Rubald explained what the Tax Commission directed Mineral County to do. Acting Chairman requested a follow up with Mineral County at the end of the year.

d. 2016-2017 Agricultural Bulletin and 2015-16 Golf Tables

Ms. Rubald explained the income approach method used for setting land values for properties that qualify as agricultural. She also explained that the bulletin includes open space property, which includes

golf courses. Ms. Rubald briefly went over how they have a formulated method that defines the class type of golf courses.

e. 2016-2017 Rural Building Manual

Ms. Rubald explained the Rural Building Manual and the Alternate Rural Building Manual published this year. She stated one was published with the 25 percent deduction, the other was not. This was an effort to assist assessors in transitioning to the proper use of the Rural Building Manual. They have asked the assessors this year to make the 25 percent adjustment on their own for any building that was built without the use of skilled labor. She also explained their research on the different kinds of equipment shelters and some instructions for the assessors are in the manual.

f. 2016-2017 Personal Property Manual

Ms. Rubald explained the changes in the Personal Property Manual are in the PPI and the CPI, and very little else. She briefly explained how personal property is calculated depending on the lifespan of the item. She also mentioned the Appendix B, which shows the method that is used to estimate the cost indices. Lastly, she explained the market tests, and how they use them to compare the depreciation against our Personal Property Manual. Mr. Schiffmacher asked what the most frequent controversies were. Ms. Rubald explained, in her opinion, that it was the classification of properties, as well as the telecommunications controversy, whether that was real or personal property.

g. 2016-2017 Improvement Factor

Ms. Rubald briefly explained the Improvement Factor which is to keep properties that are not appraised annually at similar levels of those that are.

2. Remarks from the Attorney General, including review of preponderance of evidence standard; and further considerations of policies and procedures.

Ms. Buoncristiani explained the appeal process and the different levels of appeals, as well as the duties the Board has to the taxpayers at the appeal level, explaining due process and fairness to both sides. She discussed what a preponderance of the evidence means, and a burden of proof, as well as the duties the Board has during a hearing regarding evidence. Acting Chairman brought up how they should handle allegations regarding the board meeting outside of public hearings, and she stated they need to be addressed, that they can address them, or use their staff to address the things in their particular areas, how it is important to get it on the record. She also mentioned the importance of being on the record with what method and regulations are used in determining valuations, whether the board agrees with the assessor, the taxpayer, or if they come up with a different value. That they must have specific and substantial evidence and it must be in the record. How to handle a record when there isn't enough or any evidence. She briefly talked about the difference between factual and legal questions, as well as the deference given to the board by the courts. Lastly, she brought up the public recusal standard.

Agenda Item F:

For Possible Action: Review of tax rolls of the various counties; review of valuation methods used by county assessors; consideration of possible equalization action for 2015-16 unsecured tax roll and 2016-17 secured tax roll pursuant to NRS 361.395 and NAC 361.659.

Ms. Rubald explained the tax rolls and how the statute is written, basically stating that the Board is to review the tax rolls and equalize, and how there is little information in the tax roll that would be helpful to actually equalize. She went on to explain what equalize means, and what the boards have done in prior years by deferring decisions to the end of the session. Ms. Buoncristiani added why that statute exists, and that the legislature has been reluctant change property tax statutes.

Mr. Meservy motioned to wait until the end of the session to make any recommendations in case more information is provided. Mr. Schiffmacher seconded, the vote was unanimous, and the motion carried.

Agenda Item G:

Briefing to and from the Board and the Secretary and Staff

For Possible Action: Proposed Hearing Schedules and Docket Management

Ms. Rubald discussed the case load and the amount of cases that can be heard in a day. She brought up available dates. After discussion with the board members, dates were decided.

Agenda Item H:

For Possible Action: Review and Approval of Minutes:

- ♦ November 20, 2015

Mr. Schiffmacher motioned to approve the minutes from the November 20th meeting. Mr. Plank and Mr. Meservy seconded the motion. The vote was unanimous, and the motion carried.

Agenda item I:

State Board of Equalization Comments (see Note 3)

There were no comments from the board.

Agenda Item J:

Public Comment (See Note 3)

There was no public comment.

Agenda Item K:

Adjournment

The proceedings were adjourned at 12:11 p.m. March 28, 2016.