



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

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Shellie Hughes  
Secretary

In the Matter of )  
)  
TIM & VICTORIA PAULEY, )  
)  
Petitioner )  
)  
vs. )  
)  
WHITE PINE COUNTY ASSESOR, )  
)  
Respondent )  
\_\_\_\_\_ )

Case No. 24-154

**NOTICE OF MODIFIED DECISION  
BASED ON RESPONDENT'S  
PETITION FOR RECONSIDERATION  
UNDER NAC 361.7475**

**Appearances**

Tim Pauley appeared on behalf of the Petitioners, Tim & Victoria Pauley (Taxpayer).

Burton Hilton appeared on behalf of the Respondent, White Pine County Assessor (Assessor).

**SUMMARY**

The matter of the Assessor's Petition for Reconsideration of the Taxpayers real personal property valuation on the 2024-25 secured tax roll came before the State Board of Equalization (State Board) for hearing on October 21, 2024. The original decision that the Assessor was seeking reconsideration of was dated August 21, 2024. The State Board granted the Assessor's Petition for Reconsideration pursuant to NAC 361.7475. Additionally, the State Board unanimously voted to admit the Assessor's new evidence.

**FINDINGS OF FACT**

1. The State Board is an administrative body created pursuant to NRS 361.375.
2. The parties hereto 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.
3. The Assessor has the burden of proof on a Petition for Reconsideration pursuant to NAC 361.7475. The Taxpayer's burden under NAC 361.741 remains unchanged.

4. The State Board did not change its prior determination that the Taxpayer's residence was only 80% complete.
5. In the 2024-25 tax year, the Taxpayers taxable value was set by the County Assessor at a total of \$745,710 by using the cost approach to valuation which includes the following components:
  - a) \$69,243 for the land;
  - b) \$605,173 for the improvements, including the home; and
  - c) \$71,294 for the Taxpayer's personal property.
6. The Taxpayers did not appeal the valuation of their personal property.
7. The Taxpayers asserted that their land, home and outbuildings were worth between \$450,000 and \$500,000 and provided testimony in support.
8. The State Board determined that the Taxpayer, Tim Pauley, had special knowledge of property valuation given Mr. Pauley's business experience and found his testimony credible.
9. The State Board found that Marshall and Swift could not provide an accurate replacement cost for the property.
10. The State Board's evaluation of the evidence showed that the Taxpayers home was being taxed at 99% of its cash value while the tax rates for the comparable homes based upon the information provided by the Assessor varied from 33% to 75% of cash value with the median average at 60%.
11. The State Board discovered that properties which had a similar age to the Taxpayers' property, were being taxed at a rate far less than the Taxpayers property, thereby indicating that there was an equalization problem.
12. The State Board determined that Taxpayers' home should be taxed at 69% of its cash value given the testimony provided by Taxpayers in both proceedings, the percentage complete of the home, the age and condition of the outbuildings and main home as well as other factors.
13. The State Board examined the comparables provided by the Assessor and determined that the taxable value of the land and improvements should be set at \$470,000 and the personal property should be set at \$71,294, creating a total taxable value of \$541,294.
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 designated.

### **CONCLUSIONS OF LAW**

1. Taxpayers and the Assessor are subject to the jurisdiction of the State Board.
2. The State Board has the authority to determine the taxable value of property in the State of Nevada.
3. All findings of fact and conclusions of law set forth herein shall be deemed to replace, amend or modify such findings and conclusions set out in the August 21, 2024, Decision of the State Board regarding this matter.

4. In assessing property for tax purposes, county assessors must determine the property's taxable value by separately appraising the full cash value of improved land consistently with the use of the improvements, and the replacement cost of any improvements, less depreciation and obsolescence. See NRS 361.261(1) and NRS 361.227(1).
5. The Nevada Supreme Court in *State ex rel. State Bd. of Equalization v. Barta*, 124 Nev. 612 (2008) held that property taxed at full cash value while other properties are being taxed at less than full cash value is injured because such properties are not receiving the right to uniform and equal treatment mandated under the Nevada Constitution.
6. The Nevada Supreme Court in *City of Elko v. Zillich*, 100 Nev. 366, 371 (1984) held that an owner is presumed to have special knowledge of the property and may testify as to its value and that the landowner's competence to form an opinion of the land's value may be exposed on cross examination. In this case, the Petitioners provided their opinion as to value, and in particular, the Board found that Mr. Pauley's opinion regarding valuation was credible given his business experience.
7. Based on the evidence presented, the State Board determined that the total taxable value of the property, including personal property, land and improvements, should be set at \$541,294 based on the testimony of value provided by the Taxpayers, the comparables provided by the County Assessor, as well as the totality of evidence submitted in these proceedings.
8. Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so designated.

### DECISION

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the State Board granted the Assessor's Petition for Reconsideration and adjusted the taxable value of the Taxpayers land, personal property and improvements to \$541,294.

BY THE STATE BOARD OF EQUALIZATION THIS 31 DAY OF January, 2025.

  
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Shellie Hughes, Secretary