PROPOSED REVISED AMENDED NOTICE OF DECISION

RECEIVED
NOVEMBER 5, 2026
STATE OF NEVADA
DEPARTMENT OF TAXATION

STATE OF NEVADA
STATE BOARD OF EQUALIZATION

Joe Lombardo
Governor

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Shellie Hughes
Secretary

In the Matter of	)	
	)	**Case Nos. 25-139**
TOWNSITE SOLAR AREVON, LLC,	)	**25-140**
PETITIONER	)	
	)	
vs.	)	
	)	
CLARK COUNTY ASSESSOR,	)	
RESPONDENT	)	
	)	
	)	

PROPOSED REVISED AMENDED NOTICE OF DECISION

Appearances

Eric Huswick, Vice President, Finance, and James Bergstrom, Senior Tax Manager, appeared on behalf of Townsite Solar Arevon, LLC ("Taxpayer").

Amy Mills, David Denman, and Tom Walusek appeared on behalf of the Clark County Assessor's Office ("Assessor"). Lisa Logsdon appeared on behalf of the Clark County District Attorney's Office ("County").

Summary

This appeal of the Taxpayer's Petition for Review of personal property valuations for the 2021-2022, and 2022-2023 Unsecured Tax Rolls came before the State Board of Equalization ("State Board") for hearing ("Hearing") on September 29, 2025 after an appeal in front of the Clark County Board of Equalization ("County Board"). The Hearing was lengthy and included a robust question and answer session during which the State Board thoroughly reviewed and analyzed the evidence and arguments presented by the Taxpayer, the Assessor, and the County.

The State Board issued a Notice of Decision on November 26, 2025, and an Amended Notice of Decision dated December 9, 2025. In the Amended Notice of Decision, the State Board found the full cash value of the personal property to be less than the taxable value established by the Assessor and reduced the value of the personal property to $375,000,000 for the two tax years in question (2021-2022 and 2022-2023). On December 23, 2025, the Assessor and the County filed a Petition for Judicial Review in the Eighth Judicial District Court. On October 5, 2026, in Case No. A-25-935762-J, the Eighth Judicial District Court issued an order remanding to the State Board to articulate a "revised and more robust" basis for its value reduction determination. On October 14, 2026, pursuant to NAC 361.747(4) the State Board of Equalization directed the Taxpayer to submit a proposed findings of fact and conclusions of law to the State Board. At the hearing on October 14, 2026, Chairman Bancroft disclosed and abstained from participation in

this matter due to the fact that he is a member of the law firm McDonald Carano, who is counsel for the Taxpayer.

This Revised Amended Notice of Decision is issued pursuant to that remand. It is based on the evidence, documents and testimony received at the Hearing. It does not change the value determined by the State Board at the Hearing or in the Amended Notice of Decision.

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.227, 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) On September 29, 2025, t~~T~~he Taxpayer and the 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) The subject property is personal property located in Clark County, Nevada. The subject property is the equipment of a photovoltaic solar generating facility located at 13316 U.S. Highway 95 South, Boulder City, Nevada, Assessor Account No. 230123 (the "Facility"). (ROA 021.) The Facility has a nameplate capacity of approximately 232 megawatts DC and 193 megawatts AC, with 90 megawatts AC of battery storage. (ROA 280; *see also* ROA 231, 250.)

5) Due to the similarity of the facts and the issues, the parties agreed that the State Board would hear and consider Case No. 25-139 and Case No. 25-140 concurrently. Case No. 25-139 concerns the 2021-2022 fiscal year, and Case No. 25-140 concerns the 2022-2023 fiscal year. (ROA 596:12–16; 599:14–600:2.)

6) The Taxpayer declared an acquisition cost of $531,238,486. (ROA 046.) Applying the Nevada Personal Property Manual and a 5 percent obsolescence adjustment based on its analysis of a Lawrence Berkeley National Laboratory solar study (the "Berkeley Study"), the Assessor determined a taxable value of $504,676,562 for 2021-2022. (ROA 047; 608:3–609:1.) Using the same approach, the Assessor determined a taxable value of $444,646,613 for 2022-2023. (ROA 282.) The County Board of Equalization accepted both values. (ROA 024, 308.) The Taxpayer appealed to the State Board.

7) The Taxpayer submitted a discounted cash flow analysis for each fiscal year, based on the Facility's contracts, projected revenues and operating expenses. (ROA 321, 322.) The Assessor did not object to the admission of this evidence. (ROA 618:11–619:2.)

   – For 2021-2022, the analysis indicates values of approximately $308.1 million, $283.6 million and $262.2 million at discount rates of 9.5, 10.5 and 11.5 percent, respectively. (ROA 321.)

   – For 2022-2023, the analysis indicates values of approximately $285.3 million, $260.6 million and $239.0 million at the same rates. (ROA 322; 619:19–620:11.)

8) The Taxpayer submitted a valuation memorandum prepared by KPMG LLP. (ROA 230–279; 523–572.) KPMG concluded that the fair market value of the Facility's property, plant

and equipment was $288.5 million to $298.0 million as of July 1, 2023. (ROA 234.) The Assessor did not object to the admission of this evidence. (ROA 618:11–619:2.)

- KPMG did not develop a market approach because of limited market transaction data. (ROA 235.)
- KPMG reached the same range under an income approach and under a cost approach: $288.5 million to $298.0 million, with a midpoint of $293.0 million. (ROA 250.) Under the cost approach, KPMG estimated a replacement cost new of approximately $665.4 million. It deducted physical depreciation to arrive at approximately $596.1 million, and then deducted economic obsolescence of approximately $303.1 million (an obsolescence factor of 0.49). (ROA 236, 264, 266.) KPMG's analysis was prepared as of a single valuation date, July 1, 2023, and does not separately value each tax year. (ROA 230, 234.)
- The memorandum states that it is not a USPAP-compliant appraisal report. (ROA 231; 621:12–23.)

9) The Taxpayer submitted its financial statements. (ROA 026–034; 310–318.) The Assessor did not object to the admission of this evidence. (ROA 618:11–619:2.)

10) On its petitions, the Taxpayer stated an owner's opinion of value of $375,214,698 for each tax year. (ROA 001, 004, 021, 305.) The Taxpayer testified that it derived this figure by applying a 0.70 factor to original cost to reflect the federal investment tax credit ("ITC"). The Taxpayer also testified that this figure is higher than the values indicated by its discounted cash flow analyses. (ROA 601:10–21; 606:19–607:13; 650:12–20.) The Assessor objected to the Taxpayer's hearing testimony as new evidence not presented to the County Board, while confirming that it did not object to the documents in the record. The State Board overruled the objection. (ROA 607:17–608:1; 618:11–619:18.)

11) The Assessor had full opportunity to provide its own income analysis and discounted cash flow analysis. The Assessor failed to submit an income analysis, a discounted cash flow analysis, or any other analysis of what a buyer in the market would pay for the Facility. (ROA 622:12–623:6; 627:14–24; 629:11–17.) Instead, the Assessor took issue with Taxpayer's income analysis and discounted cash flow analysis as follows:

- The Assessor criticized the Taxpayer's inputs and discount rates. (ROA 627:25–628:20; 630:15–632:5.)
- The Assessor stated that a typical weighted average cost of capital would be about 8.6 percent. (ROA 630:24–631:8.) However, it did not present a valuation using that rate or any other rate.

12) Neither party presented comparable sales, and the record reflects that no market sales data for comparable facilities was available. (ROA 235; 577; 647:18–22.)

13) The State Board finds that an income analysis is a probative test of full cash value for this income-producing generating facility. The State Board finds the Taxpayer's discounted cash flow analyses to be reliable and probative evidence of full cash value. Each is specific to the fiscal year at issue and is based on the Facility's actual contracts and operations.

14) The State Board finds the KPMG memorandum to be probative, corroborating evidence. The State Board considered its July 1, 2023 valuation date and its non-USPAP status. It gives the memorandum weight because its conclusions are consistent with the Taxpayer's discounted cash flow indications under both the income approach and a cost approach that deducts depreciation and obsolescence from replacement cost new.

15) The State Board considered the Assessor's criticisms of the Taxpayer's inputs and discount rates. The Assessor did not quantify the effect of those criticisms or present any income-based or market-based indication of value supporting its taxable values.

16) The State Board gives limited weight to the Assessor's Berkeley Study adjustment as a test of full cash value. The adjustment reflects general trends in the installed cost of solar facilities. (ROA 629:3–13; 649:20–650:11.) It does not measure the income or market value of this Facility.

17) The State Board gives limited weight to the net book value on the Taxpayer's balance sheet as a test of full cash value. Book value reflects historical cost. The absence of a recorded impairment does not establish that full cash value equals or exceeds the Assessor's taxable value. (ROA 609:15–610:23; 633:17–634:10.)

18) The State Board finds that the full cash value is less than the taxable value asserted by the Assessor. Every income-based indication of value in the record is more than $190 million below the Assessor's taxable value for 2021-2022 and more than $140 million below the Assessor's taxable value for 2022-2023.

19) The State Board moved to reduce the value of the personal property to approximately $375 million, which the motion noted is higher than the income-based indications of value in the record. (ROA 652:17–653:10.) The motion as spoken misstated the figure as "275 million," and that misstatement was repeated in the November 26, 2025 Notice of Decision. The Amended Notice of Decision corrected it.

20) The State Board adopted a value of $375,000,000 for each fiscal year based on the Taxpayer's KPMG valuation memorandum and discounted cash flow valuations. In its discretion and expertise, the State Board determined these valuations indicated that the full cash value of the Facility was less than the Assessor's claimed taxable value. The State Board made this determination after giving due weight and consideration to all of the evidence and testimony from the Hearing, including the Taxpayer's opinion valuation which the State Board noted was higher than the values established by the KPMG valuation memorandum and the discounted cash flow valuations. (ROA 652:17–653:4.) The State Board determined the substantial evidence required a reduction and that the $375,000,000 value nonetheless exceeds every income-based indication of value in the record:

    - For 2021-2022, it exceeds the highest discounted cash flow indication by approximately $67 million.
    - For 2022-2023, it exceeds the highest discounted cash flow indication by approximately $90 million.
    - For both years, it exceeds the high end of the KPMG range by approximately $77 million.

    Adopting a value above the income indications resolves in the Assessor's favor any uncertainty raised by the Assessor's criticisms of the Taxpayer's inputs. The State Board also declined to reduce the value below the highest value the Taxpayer requested. The State Board used the owner's opinion of value only for that purpose, not as a method of calculating full cash value.

21) The State Board did not rely on the ITC as obsolescence. It did not adopt the Taxpayer's method of applying a 0.70 factor to original cost. Members of the State Board expressed skepticism of treating the ITC alone as a basis for reducing value. (ROA 641:25–642:11;

647:24–648:2.) The State Board's determination rests on the income-based evidence and discussion of full cash value, and the State Board would reach the same value without regard to how the Taxpayer computed its opinion of value.

22) The Taxpayer bore the burden of proof and carried it by presenting discounted cash flow analyses, a third-party valuation and financial statements, which together are more than a difference of opinion. The State Board's questions to the Assessor regarding the absence of an income analysis went to the weight of the evidence and did not shift the burden of proof.

23) 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) The Taxpayer timely filed a notice of appeal.

2) Taxpayer and Assessor are subject to the jurisdiction of the State Board.

3) The State Board has the authority to determine the taxable values in the State. The State Board makes an independent valuation of the property, which may differ from any valuation proposed by a party. NAC 361.747(2)(a).

4) Case No. 25-139 and Case No. 25-140 shall be heard and decided concurrently.

5) The computed taxable value of any property must not exceed its full cash value. NRS 361.227(5). Full cash value means the most probable price which property would bring in a competitive and open market under all conditions requisite to a fair sale. NRS 361.025.

6) In determining whether taxable value exceeds full cash value, the State Board may consider an analysis of the discounted cash flow. NRS 361.227(5)(c). The State Board's reliance on the discounted cash flow evidence and a third-party valuation memorandum is an appropriate method of valuation under NRS 361.227.

7) The Taxpayer bore the burden of proof pursuant to NAC 361.741 and met that burden.

8) The Assessor had an opportunity to provide its own discounted cash flow analysis pursuant to NRS 361.227(5) but failed to do so.

8) The State Board's determination does not rest on treating the federal investment tax credit alone as obsolescence, and the State Board reaches no conclusion on that question in these cases.

9) The State Board moved to reduce the value of the personal property to $375,000,000 for each fiscal year.

10) 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.

11) The ancillary argument raised by the Assessor regarding the application of the Renewable Energy Tax Abatement Program as set forth in NRS Chapter 701A is without merit.

DECISION

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the State Board finds that the value of the personal property shall be reduced to $375,000,000 for the 2021-2022 fiscal year (Case No. 25-139) and $375,000,000 for the 2022-2023 fiscal year (Case No. 25-140).

BY THE STATE BOARD OF EQUALIZATION this _____ day of _____, 2026.

_____
Shellie Hughes, Secretary

CERTIFICATE OF SERVICE
25-139/ 25-140

I hereby certify that on this day I served the foregoing Revised Amended Notice of Decision upon all parties of record in this proceeding by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

CERTIFIED MAIL: _____
25-139/ 25-140
Townsite Solar Arevon LLC
ATTN: Eric Huswick
8800 N Gainey Center Dr., Ste 100
Scottsdale, AZ 85258

CERTIFIED MAIL: _____
25-139/ 25-140
Briana Johnson
Clark County Assessor
500 S Grand Central Parkway 2nd Floor
Las Vegas NV 89155-1401

Dated at this _____ day of the month of _____ of the year 2026.

_____
Kari Skalsky, Management Analyst III
Department of Taxation
State Board of Equalization