

**City of Carson City
Agenda Report**

Date Submitted: 02/03/12

Agenda Date Requested: 02/16/12

Time Requested: Consent

To: Mayor and Supervisors

From: Assessor's Office

Subject Title: For Possible Action: To approve the correction and increase of the taxes for the 2008/09, 2009/10, 2010/11 and 2011/12 tax years for parcel number 007-431-11 (1024 Baily Ct.) per NRS 361.157 and NRS 361.155 (5) in the amount of \$12,027.35 (Kimberly Adams, Assessors Office).

Staff Summary: The property located at 1024 Baily Ct. APN: 007-431-11 was granted an exemption in 1998 because the property was owned by the First United Methodist Church and being used for the Pastor of the church as a parsonage. In August of 2007, the property was no longer being used for the Pastor and the church decided to rent the home out and collect rent. It was not until November of 2011 that our office was notified that the property was being rented out. Per NRS 361.157 (1) "when any real estate or portion of real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person....for profit or as a residence, or both..... is subject to taxation." NRS 361.155 (5) further states that "if an exemption is granted or renewed in error because of an incorrect claim or failure of an organization to give the notice required by subsection 4, the assessor shall assess the taxable portion of the property retroactively pursuant to NRS 361.769 and a penalty of 10 percent of the tax due for the current year and any prior years may be added." In light of the fact that the owner of the property did notify us, provided a ledger of rents received since 2007 and it does not appear that they purposely avoided paying taxes, it is the opinion of the Assessors office and the District Attorneys office that the 10% penalty be waived. Additionally, based on the rent amounts provided, the property did not qualify for the lower 3% tax cap in any of the requested years. The Assessors office is asking for the correction and increase of the 2008/09 through 2011/12. This correction will result in an increase in the amount of \$2,755.30 for the 2008/09, an increase of \$2,970.22 for the 2009/10 fiscal year, an increase of \$3,169.22 for the 2010/11 fiscal year and an increase in the amount of \$3,132.61 for the 2011/12 fiscal year.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: To approve the correction and increase of the taxes for the 2008/09, 2009/10, 2010/11 and 2011/12 tax years for parcel number 007-431-11 (1024 Baily Ct.) per NRS 361.157 and NRS 361.155 (5) in the amount of \$12,027.35 (Kimberly Adams, Assessors Office).

Explanation for Recommended Board Action: The property located at 1024 Baily Ct. APN: 007-431-11 was granted an exemption in 1998 because the property was owned by the First United Methodist Church and being used for the Pastor of the church as a parsonage. In August of 2007, the property was no longer being used for the Pastor and the church decided to rent the home out and collect rent. It was not until November of 2011 that our office was notified that the property was being rented out. Per NRS 361.157 (1) "when any real estate or portion of real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person....for profit or as a residence, or both..... is subject to taxation." NRS 361.155 (5) further states that "if an exemption is granted or renewed in error because of an incorrect claim or failure of an organization to give the notice required by subsection 4, the assessor shall assess the taxable portion of the property retroactively pursuant to NRS 361.769 and a penalty of 10 percent of the tax due for the current year and any prior years may be added." In light of the fact that the owner of the property did notify us, provided a ledger of rents received since 2007 and it does not appear that they purposely avoided paying taxes, it the opinion of the Assessors office and the District Attorneys office that the 10% penalty be waived. Additionally, based on the rent amounts provided, the property did not qualify for the lower 3% tax cap in any of the requested years. The Assessors office is asking for the correction and increase of the 2008/09 through 2011/12. This correction will result in a increase in the amount of \$2,755.30 for the 2008/09, an increase of \$2,970.22 for the 2009/10 fiscal year, an increase of \$3,169.22 for the 2010/11 fiscal year and an increase in the amount of \$3,132.61 for the 2011/12 fiscal year.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 361.157 and NRS 361.155 (5).

Fiscal Impact: An increase of \$2,755.30 (2008/09), \$2,970.22 (2009/10) and \$3,169.22 (2010/11), and \$3,132.61 (2011/12) for a total of \$12,027.35 to Real Property Tax Rolls.

Explanation of Impact: See attached Tax and Prior Year Gross Assessed Value Override Calculator sheet.

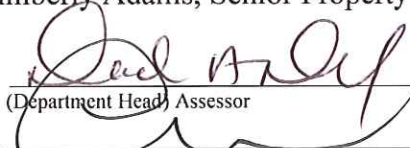



Funding Source: Various Tax Entities.

Alternatives: Approve, Modify, or Deny.

Supporting Material: None. Tax and Prior Year Gross Assessed Value Override Calculator sheet.

Prepared By: Kimberly Adams, Senior Property Appraiser

Reviewed By:


(Department Head) Assessor

(City Manager)

(District Attorney)

(Finance Director)

Date: 2/3/12

Date: 2/7/12

Date: 2/2/12

Date: 2/7/12

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Tax and Prior Year Gross Assessed Value Override Calculator

Parcel #:	007-431-11	District:	2.4	2004-05:		2009-10		2010-11		2011-12		2012-13	
				Gross Assd Value	Tax Rate	Gross Assd Value	Tax Rate	Gross Assd Value	Tax Rate	Gross Assd Value	Tax Rate	Gross Assd Value	Tax Amount
Gross Assd Value	84,295	143,573	144,847	159,090	155,383	126,034	101,471	94,959	102,643	83,999	2.6436	2,220.60	
Total New Value	0	0	0	0	0	0	0	0	0	0		90,186	
Tax Incrs Cap %	5.4	6.8	7.2	8.0	7.8	6.7	4.8	6.7	4.8	6.7	4.8	4.8	
Alt Cap %	5.4	6.8	7.2	8.0	7.8	6.7	4.8	6.7	4.8	6.7	4.8	4.8	
Total Tax Rate	2.6435	2.9287	2.9218	3.1278	3.1279	3.0876	3.0872	3.0876	3.0872	3.0876	3.0872	3.1872	
"COR" Tax Rate	2.6435	2.9287	2.9218	3.1278	3.1279	3.0876	3.0872	3.0876	3.0872	3.0876	3.0872	3.1872	
Calculated Prior	0	0	81,260	87,316	88,091	94,959	102,643	94,959	102,643	83,999		0	
Yr GAV Override	0	0	0	0	0	0	0	0	0	0		0	
Manual Override													
Tax Amounts													
Pre-Abatement:	2,228.34	4,204.82	4,232.14	4,976.02	4,860.22	3,891.43	3,132.61	3,891.43	3,132.61	2,874.41		2,874.41	
Abatement.....	.00	1,824.95-	1,680.93-	2,220.72-	1,890.00-	722.21-	.00	722.21-	.00	.00		.00	
Recapture.....	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00		.00	
Total.....	2,228.34	2,379.87	2,551.21	2,755.30	2,970.22	3,169.22	3,132.61	3,169.22	3,132.61	2,874.41		2,874.41	

Note: Tax Amounts are before any Exemption Amounts are applied.

.....
 2,755.30 +
 2,970.22 +
 3,169.22 +
 3,132.61 +
12,027.35