

Court ruling may hit Incline school district's coffers

By Brian Duggan, Reno Gazette-Journal

Washoe County officials are starting to gauge the fallout of a Nevada Supreme Court decision from last week that ordered the county to issue property tax refunds to Incline Village and Crystal Bay property owners and opened a budget hole that could exceed \$40 million by early estimates.

The refunds are for the owners of 8,700 parcels in the two north Lake Tahoe communities who overpaid in property taxes in 2006-07. The decision is the result of a nine-year legal battle over improper property assessment methods, such as basing property values on views of Lake Tahoe, that were ultimately deemed unconstitutional.

For now, county officials are still trying to calculate the total cost of the refund and finding the people who are owed money, which could take months. County commissioners are expected to address the matter at their July 26 meeting.

While county officials in 2009 said the refund would amount to \$13 million, County Manager Katy Simon said a more accurate, albeit very rough, estimate is closer to \$40 million, of which approximately \$4 million is about five years of accrued interest for the unpaid refunds .

In an email sent to employees last week, Simon called the high court decision a "game-changer," but had little detail regarding the potential effect on entities such as the Washoe County School District.

Regardless, county commissioners must now figure out how to close the potential \$40 million deficit on top of a \$33.8 million budget gap the county was already facing, which the

county seeks to fix by \$20 million in employee concessions and program cuts.

Read the whole story