

ASSESSING STANDARDS BOARD
Public Forum - Notes

DATE: November 12, 2014

TIME: 3:15 p.m.

LOCATION: Radisson Hotel, 700 Elm Street, Manchester

BOARD MEMBERS:

Senator David Pierce ~ *Absent*
Representative Priscilla Lockwood ~ *Absent*
Len Gerzon, Public Member, Chairman
Robert J. Gagne, NHAAO, City, Vice-Chairman
Joseph Lessard, NHAAO, Towns >3,000
Marti Noel, NHAAO
Betsey Patten, Public Member
Vacant ~ Municipal Official, Towns >3,000

Senator Bette Lasky ~ *Absent*
Representative Peter Schmidt
Stephan Hamilton, NHDRA
Eric Stohl, Municipal Official, Towns <3,000
Todd Haywood, NHAAO, Towns <3,000
Thomas Thomson, Public Member ~ *Absent*
Vacant, Municipal Official, City

Chairman Gerzon convened the public forum at 3:15 p.m. and welcomed those attending.

Introductions the Board Members.

Mr. Hamilton summarized the board's work over the past year and future tasks.

Legislative Changes for 2014

- A combined effort of the DRA, ASB and the assessing community determined that the treatment for the activity of sales chasing would be most effective within rulemaking versus statute. Therefore, the following changes were presented to and approved by the legislature.
- The following language was added to the rulemaking duties under RSA 21-J:14-b:
 - RSA 21-J:14-b, I-a – (D) The definition and practices which constitute sales chasing and penalties associated with knowingly committing or being party to sales chasing.
 - RSA 21-J:14-b, I(d), relative to statutory standards for sales chasing was repealed.
 - Added as a future task of the ASB

ASB Subcommittees

Equalization Manual Subcommittee

- Procedural revisions
 - The process of not equalizing those small towns whose confidence interval captured 1.00 was changed. All towns will now be equalized regardless of the size of the sample or what the confidence interval is.

- The percentage of change in some of the total equalized values determined this year will show whether or not this change has improved the process.
- The equalization appeal rate has been very low. Only one appeal has been filed in a community in the past four years that was not related to a wind farm. There have been some appeals related to special purpose properties and their impact on the total equalized value.

Assessing Reference Manual Subcommittee

- Manual was published early this year
- Good reference for anyone with questions about the assessing process
- Available on-line or printed upon request

Definitions Subcommittee

- Comparing definitions within the Asb 300 and Rev 600 rules in an effort to create a common set of terms
- Prepared to make a recommendation to the full ASB and begin the rulemaking process
- Potential changes to certification rules to clarify particular terms

USPAP – Uniform Standards of Professional Appraisal Practice

- Present reference to USPAP Standard 6
- ASB has been examining ways to incorporate occasional Standard 1 and 2 appraisals that are received by the DRA into the Assessment Review (A/R) Process

Future Items

- Produce the following items into Rulemaking Format:
 - Sales chasing
 - Ethical Code
 - Certification changes
- Property Record Cards
 - Standard information
 - Abbreviation descriptions
- Review Certification Levels
- Review definition of “market transaction”
- Improve income and expense data availability
- Strengthen reliance on USPAP in general

Public Comment

The following comments were received by the public:

- The board should prioritize the effort towards enacting legislation to require income and expense information from commercial and industrial property owners. This would allow assessors to do a better job in general and with appraising special purpose properties.
- Look into repealing the statute that no longer requires owners to allow assessors in or on the property and removal of losing their right to appeal. More and more property owners are not allowing access since the risk of losing their right to appeal was removed.
 - Lack of transparency on the taxpayer side
 - More regulations on the assessing side
- Concern was expressed about increasing responsibilities and regulations and what monetary affect those would have on the communities
- USPAP Compliant Standards 1 and 2 Report:
 - A suggestion was made to require this type of report for a special purpose property whose value equals a certain percentage of a community's total value rather than imposing this requirement on all special purpose appraisals.
 - Individual towns lack the expertise required to appraise special purpose properties and it is and would be a significant cost to communities to have to do so.
 - Is the Department prepared and have the staff to do a Standard 3 review and possible a Standard 1 and 2 appraisal?
 - If a Standard 1 and 2 report is completed, a Standard 3 report is required.

Mr. Hamilton stated the board has talked about this and the department has competent and qualified appraisers to which these reports will be delegated and is preparing to comply fully with all of the requirements of Standard 3.

- Removing Standard 6 reference in statute to encompass all of USPAP: The suggestion was made to review the certification requirements to see if they encompass the additional work experience and education necessary to accommodate USPAP Standards 1 and 2. The certification rules include the work experience and education requirements for mass appraisal. Mr. Michaud stated he does not believe the existing rules include the necessary work and education requirements for the appraisal of special purpose properties, only those for mass appraisal.
- The ASB was asked to look into and determine whether or not the department would be able to answer questions about a Standard 3 appraisal in a litigious environment.

Mr. Hamilton indicated the department does comply with Standards 1 and 2 with utility appraisals and there was a recent Supreme Court case which changed the field of play when it comes to when is it appropriate for the department to disclose that appraisal and is the appraiser available to testify and to be deposed?

The Supreme Court case: Coos County Commissioner's on behalf of the communities of Millsfield and Dixville appealing a decision of the NH BTLA and the total equalized value for 2012.

- Mr. Riel from the City of Portsmouth suggested developing a set of predetermined shared scope of work from communities and DRA to allow for a set of expectations ahead of time and to define what DRA needs. This would give assessors a voice in the process.

- USPAP Standards 1 and 2. There is a conflicting interpretation of whether or not the DRA already has the authority in statute to review these reports. A brief discussion followed. Chairman Gerzon stated the board would continue deliberation on this topic.
- It was reiterated that the board be mindful that any new regulation will cost money and to be mindful of the budgetary and political issues.

No further comments were received.

Chairman Gerzon closed the public forum at 4:30 p.m.

Respectfully Submitted, Stephanie Derosier
NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed by:

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