

MINUTES OF THE
ASSESSING STANDARDS BOARD

Approved as Written

DATE: March 20, 2015

TIME: 9:30 a.m.

LOCATION: Legislative Office Building – Room 301, 107 North Main Street, Concord NH

BOARD MEMBERS:

Senator Regina Birdsell
Representative Peter Schmidt
Len Gerzon, Public Member, Chairman
Robert J. Gagne, NHA AO, City, Vice-Chairman
Joseph Lessard, NHA AO, Towns >3,000
Todd Haywood, NHA AO, Towns <3,000
Betsey Patten, Public Member
Vacant, Municipal Official, Towns >3,000

Senator Bette Lasky ~ *Absent*
Representative Mark Proulx ~ *Absent*
Stephan Hamilton, NHDRA
Eric Stohl, Municipal Official, Towns <3,000
Marti Noel, NHA AO
Thomas Thomson, Public Member
Vacant, Municipal Official, City

MEMBERS of the PUBLIC:

Jim Michaud, Hudson
Rex Norman
Chuck Kurfehs, Manchester
Lois Stohl

Rosann Lentz, Portsmouth
Cindy Brown, BTLA
David Cornell, NHDRA

Chairman Gerzon convened the meeting at 9:37 a.m. and welcomed Senator Regina Birdsell to the Board.

Introductions followed.

Minutes

Ms. Patten ***motioned to accept the minutes of the January 23, 2015, regular board meeting.*** Selectman Stohl ***seconded the motion.*** Ms. Derosier summarized amendments. After a brief discussion pertaining to a vote count, Ms. Patten ***motioned to table the discussion until Mr. Thomson arrived.*** Selectman Stohl ***seconded the motion. All approved.***

A brief discussion to clarify Mr. Thomson's vote for Chairman took place. The vote count was amended to 6-3. Mr. Gagne ***motioned to accept the minutes of January 23, 2015, as amended.*** Ms. Patten ***seconded the motion.*** No further discussion. Chairman Gerzon called the motion to accept the minutes of the January 23, 2015, meeting as amended. ***All approved.***

The board commended and thanked Ms. De Vasto for her time and effort filling in to attend the meeting and complete the minutes.

Next Meeting

Chairman Gerzon suggested changing the meeting day from Friday in order to allow the Senators and Representatives with scheduling conflicts due to other commitments an opportunity to attend the meetings. After a brief discussion, the Board agreed to try Monday. The next meeting will be held on Monday, May 11, 2015, 9:30 a.m. at DRA.

Legislative Update

Mr. Hamilton reported that there were many property tax related legislative efforts this year that have been retained by committee. House Bill 192 and House Bill 547 relate to the interaction between municipalities and some taxpayers within their communities.

House Bill 547 is related to the taxation of telephone poles and conduits. There is a provision that provided for an exemption of telephone poles and conduits from taxation which expired a few years ago. This was an effort to reinstate that exemption but has been amended to provide for a standard valuation approach.

House Bill 192 is an effort to limit the use of the department's utility property tax appraisals completed under RSA 83-F from being considered in a BTLA proceeding or superior court abatement appeal. This has passed the House and has moved on to the Senate.

Mr. Michaud indicated House Bill 192 public hearing is being held before the Senate on Tuesday, March 24, 2015, at 9:15 a.m. before the Ways and Means committee. The amendment did not have a public hearing therefore the Senate will be the first opportunity for public input to be heard. House Bill 547 has passed the House but has not been scheduled before the Senate to date.

Senate Bill 117 relative to energy security and diversity initially included a solar exemption component which was removed and replaced with the opportunity for a local geothermal exemption. This was a quick amendment and the hearing scheduled for the House will be the first opportunity for public input. There were also three veteran's bills within the House Municipal and County Government committee which were retained. Representative Coffey will chair a subcommittee that will look at the requirements, including dates of service, to allow more veterans to qualify for the tax credits.

A discussion took place about House Bill 547, the assessment of poles and conduits. The general consensus is that the legislature should not be setting values or telling assessors how to set values using specific methodology. This bill, which started out as an exemption, quickly changed into a standard method for valuing poles and conduits and did not allow for any input from assessors or the public. The bill, focused on telecommunication companies, would create an inequity of assessed value as well as constitutional issues. The majority of poles share ownership with other companies, including utility companies, and would create two values, using two different methods, for one pole.

Mr. Michaud opined it was unfortunate the decision to pass the bill was not based on concrete, written documentation. There are cases in the judicial system, many from 2011 that have not been resolved pending a Concord case. The system just needs to be allowed to work.

A discussion followed to determine whether or not the board should take a position and make a presentation at the Senate hearing. Due to the lack of time provided to comment on the bill before passing the House and the statutory obligation of the board to recommend appropriate legislation to be followed by assessors under RSA 21-J:14-b, there was a consensus the issue should be studied. Ms. Patten suggested requesting additional time from the Senate before implementing this bill to allow the board to collect and study the facts and comply with their legislative charge to recommend or not recommend legislation.

The importance of the Senate and House representation on the board was discussed. More participation and communication was needed, in particular during this time when legislation was being proposed and passed. Additional meetings may be appropriate to provide the opportunity for communication and action. Schedules were discussed and an effort was made to schedule a day and time that would be more accommodating.

Senator Birdsell offered to inquire to the Senate President's office to find out if the hearing for House Bill 547 has been scheduled and what committee it will be in. She indicated she would communicate the board's concerns if assigned to her committee, if not, she would let the other committee know there are issues with the bill and that additional time is needed for research. She will keep the board informed.

Selectman Stohl ***motioned for Chairman Gerzon to speak for the board at the hearing on House Bill 192, on Tuesday, March 24, 2015; at 9:15 a.m.*** Ms. Patten ***seconded the motion.*** Discussion.

Mr. Michaud expressed concern that the agenda did not indicate this discussion would take place and that there are other committee members not present that may have attended if the agenda had been clearer. He added that this would be a lot for the board to take on in such a short period of time without the benefit of all the information.

Senator Birdsell stated if the board feels there is something objectionable in the bill, the board needs to speak to that at the hearing. Ms. Patten suggested requesting additional time for the board to review and provide input if the board could not come up with a recommendation or decision today. Discussion continued. There was a mixed response as to whether or not the DRA's valuation of a utility should be used in abatement cases. The department has not taken a position on House Bill 192 and Mr. Hamilton stated he would not weigh in on this issue. Mr. Michaud pointed out the intent and purpose of the DRA's valuation under RSA 83-F is for the state education trust fund and in his opinion should not be used in court appeal cases. Mr. Gagne added that until impending court cases are resolved, there is no way to know whether or not this bill will help utility companies or not.

Ms. Brown, speaking for herself and not on behalf of her employer, feels there is something inherently wrong with the bill telling a taxpayer what they can and cannot use in defense of their property value, in their right of the appeal process.

After further discussion, Selectman Stohl ***withdrew his motion for Chairman Gerzon to speak for the board at the hearing on House Bill 192, on Tuesday, March 24, 2015; at 9:15 a.m.*** Ms. Patten ***withdrew her second.***

Selectman Stohl ***motioned for Chairman Gerzon to attend the hearing of House Bill 547, when scheduled, and recommend to the Senate committee to kill the bill.*** Mr. Gagne ***seconded the motion.*** Chairman Gerzon called the motion. Representative Schmidt abstained. ***All others approved.***

Task Items

A discussion to move current item five (5), Date availability up to item three (3) ensued. Data availability, rental and expense data is the best way to accurately value income-producing properties. The attempt to gain this information has been tried before and denied but it is important enough to try again. Ms. Patten had suggested developing a white paper that would encompass the situation that assessors encounter. Ms. Noel stated there were several assessors who volunteered to work on the paper. After a brief discussion, a subcommittee was formed to begin work sessions to develop the white paper.

Mr. Gagne ***nominated Ms. Noel as Chairman of the subcommittee.*** Mr. Haywood ***seconded the motion.*** Ms. Patten volunteered as a public member. Mr. Gagne, Ms. Lentz and Mr. Ingalls also volunteered to work with the subcommittee. Mr. Michaud suggested inviting a member of Commercial Industrial Board of Realtors (CIBOR) for participation. Mr. Hamilton volunteered Mr. Cornell to participate on the subcommittee as well.

Subcommittee Update

Chairman Gerzon stated the subcommittee has not met since the last meeting and that he was looking to convene a meeting prior to the next regular board. The task of the subcommittee is nearly complete.

Mr. Gagne ***motioned to adjourn.*** Chairman Gerzon adjourned the meeting at 11:30 a.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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