

MINUTES OF THE
ASSESSING STANDARDS BOARD

Approved as Amended

DATE: June 28, 2016

TIME: 9:30 a.m.

LOCATION: Legislative Office Building – Room 304, 107 North Main Street, Concord NH

BOARD MEMBERS:

Senator Bette Lasky ~ *Absent*
Senator Regina Birdsell
Representative Peter Schmidt
Representative Mark Proulx
Stephan Hamilton, NHDRA
Len Gerzon, Public Member, Chairman
Jim Wheeler, Municipal Official, City
Paul Brown, Municipal Official, Towns >3,000

Eric Stohl, Municipal Official, < 3,000
Robert Gagne, NHA AO
Rick Vincent, NHA AO, City Official
Loren Martin, Assessing Official, < 3,000
Marti Noel, Assessing Official, > 3,000
Betsey Patten, Public Member
Thomas Thomson, Public Member

MEMBERS of the PUBLIC:

Mary Pinkham-Langer, NHDRA
Jim Commerford, Meredith
Mark Gearreald, Attorney Town of Hampton
Cindy Brown, BTLA
Scott Dickman, NHDRA
Norm Bernaiche, Tri-Town
Kristen McAllister, Tri-Town

Jon Duhamel, Nashua
Barbara Reid, NHMA
Ellen Scarponi, Fairpoint
Sue Golden, Concord
Teresa R. Rosenberger, Devine Millimet
Andrea Curtis, GES

Chairman Gerzon convened the meeting at 9:30 a.m.

Introductions followed.

Minutes:

Mr. Bob Gagne asked that “DRED” in the second line under “Legislative Update” be corrected to “DRA”. **Mr. Eric Stohl moved to accept the minutes of May 16th, Ms. Betsey Patten seconded.** Chairman Gerzon asked for clarification from Ms. Noel regarding “Mr. Bob Keith” under “USPAP Standard 6”. Ms. Noel advised Mr. Keith was the former Executive Director and Appraiser Compliance Program Manager for the Appraiser Certification and Licensure Board of Oregon. Representative Schmidt corrected the word “was” to “were” under “Legislative Update” fourth line. **Minutes approved.**

Legislative Update:

Chairman Gerzon stated that HB 1198 was passed at the house, and was signed by the Governor.

ASB Rulemaking Initiative:

Chairman Gerzon introduced the topic of rules expiring etc. and asked Mr. Steve Hamilton to explain in more detail. Mr. Hamilton advised that typically the organizational rules and the definitions would not expire - the definitions in the (Asb) 100 series do not expire. In the Asb 200 series, it is typical for the organizational structural rules to have a designation of a docket number with a “-a” indicating that those would not expire. For the Asb 205 and 206 rules, for an unknown reason at the time, they were adopted with a designation of “-b”, which caused them to expire. In the case of these rules that were adopted in 2003, they expired in 2011 although now it is a 10 year expiration. In order to remedy this expiration of this portion of the rules, there is an

interim rulemaking process – the Assessing Standards Board is able to request an extension of the previously adopted rules for a 180 day period. Mr. Hamilton advised that the Board would need to vote to go before JLCAR with the proposal for interim rules as presented in Mr. Hamilton’s handout. Within that 180 day period, the Board would have to go back with a full rulemaking effort; adopting Asb 205, previously effective 331.03 and expired 331.11. **Ms. Betsey Patten moved that the Assessing Standards Board post interim rulemaking with 205 and 206 as presented today. Mr. Robert Gagne seconded with discussion.** Mr. Gagne asked for clarification that the 180 days was from the date of request and not expiration. He also asked about the “-a” and “-b” designations in the future. **Motion passed unanimously.**

Previous Motion for USPAP, “Standard 6”:

Mr. Gagne moved to have the motion taken off the table to discuss, and Ms. Patten seconded; all were in favor. Chairman Gerzon summarized the last meeting regarding “overreach” etc. (Short halt in discussion as Ms. Patten made copies of Mr. Jim Wheeler’s handout.) Mr. Wheeler explained his handout on his suggested changes on wording made to 21-J:14-b Powers and Duties of the Board etc. A discussion followed on binding (wording) including Ms. Patten’s thoughts and Mr. Hamilton’s input etc. Ms. Marti Noel advised she is still against removing “standard 6” from USPAP although she does like some of the ideas presented. Ms. Patten, Ms. Noel and Ms. Loren Martin discussed Standard 6 and whether it was originally a compromise etc. Mr. Scott Dickman gave his thoughts on Standard 6. Mr. Hamilton disagreed with Mr. Dickman and advised that professional appraisers are bound by all of USPAP. He feels this is “just going to set the framework in place for the next time we adopt the Asb assessment review standards”, that it can be approached a little bit differently in the spring of 2017. Mr. Gagne asked if the Board could agree that they are all “on board” with Mr. Wheeler’s proposal to “clean up” the rest of the RSA, and that the debate is on **(c)** and whether/how the Board will recommend that be changed (Standard 6). *Mr. Hamilton stated that if Mr. Wheeler’s proposal is in the form of a motion, he would like to second it.* A discussion followed on the dates in **(c)**, deficiency in striking Standard 6, the receipt of reports, better transparency, single property appraisals, and attempting to get ahead of the curve on the HB 1198 issue. Representative Schmidt clarified they’re only adopting Mr. Wheeler’s motion (language) at that time. Ms. Patten seconded. A discussion followed. Mr. Paul Brown is against removing Standard 6, but he is fine with Mr. Wheeler’s proposed language at the moment. **Chairman Gerzon took a count on “calling the question”: 9 for and 5 against. He then took a vote on (Mr. Wheeler’s) “amendment”: 11 for and 3 against. The motion carried, and was open to further amendments.** *Ms. Noel spoke of an amendment as a proposed alternative/compromise - (e) under 21-J:11. Chairman Gerzon asked Ms. Noel if she was making this a motion, and Ms. Noel replied in the affirmative. Mr. Paul Brown seconded with discussion.* A discussion followed on 21-J:11 and 21-J:14-b – their differences but also the possibility of “co-existing”. Ms. Barbara Reid commented that she felt that Mr. Wheeler’s amendment could stay except for the repeal of where it says Standard 6 and explained her thoughts. Mr. Gagne stated that he felt Ms. Noel’s proposal was appropriate – that she proposed NOT changing 21-J:14-b but to change 21-J:11. A discussion followed to take back Ms. Noel’s initial motion and second with clarification on 21-J:14 vs 21-J:11. Ms. Noel clarified her motion and Mr. Brown seconded. Mr. Gagne asked how it would protect the public. Mr. Hamilton, Mr. Norm Bernaiche and Ms. Reid discussed transparency gap, 91:A, public record, part of work product, following Standards 1 and 2, reports submitted to the NH DRA without statutory authority to review, “good complement but not a good substitution” to Mr. Wheeler’s proposal etc. Mr. Hamilton spoke about the Assessing Standards Board determining standards, how single property appraisals should be included in the assessment review report, and a reminder that monitoring is a different activity etc. Mr. Rick Vincent talked about 21-J:14, wording changes, IAAO, NHA AO, being bound by IAAO code of ethics, and bound by USPAP etc. Representative Schmidt advised that the discussion was out of order; there are two different statutes, two parallel motions being discussed at the same time and the need to either stop or vote. He advised they needed to act on Mr. Hamilton’s motion (Mr. Wheeler’s proposal to that motion) first. Ms. Noel withdrew her motion. Ms. Loren Martin spoke of her opposition to removing Standard 6, giving authority to the Assessing Standards Board to create the standards that will be followed, that not all assessors are members of the NHA AO (only a small percentage are), people certified through the NH DRA, and not everyone is already bound by USPAP, but as authority is going back to the Assessing Standards Board she would support it. Mr. Hamilton clarified and elaborated with a discussion regarding the percentage of assessors not members of the NHA AO, not being bound, members of the IAAO; and how that may be a number but it’s not representative of how the communities are being served. Ms. Patten and Mr. Hamilton discussed the procedure of certification and appropriate USPAP training etc. Mr. Gagne stated that if you’re a CNHA, you are a member of NHA AO and are bound by USPAP. Chairman Gerzon advised that 95% +/- of towns have some authoritative person who is bound by USPAP setting assessments. Ms. Martin commented that there is no obligation for any assessor to be a member of

NHAAO. Ms. Patten stated that there has to be an obligation for USPAP. Mr. Hamilton commented that when someone becomes certified at the supervisor level, they must have taken and passed the USPAP's education process. Mr. Gagne asked if they were bound by USPAP. Mr. Hamilton answered if they are not a member of an organization which binds them to USPAP, there is nothing about the certification process that does bind them to USPAP, but that can be taken up at a later time as another issue. Ms. Patten agreed. **Representative Proulx called a motion and Mr. Gagne seconded. Chairman Gerzon asked to vote to call the question of whether the board is adopting the so-called Jim Wheeler amendment as amended. The vote was 12 – 2. They next voted on Mr. Hamilton's motion, the motion carried 12 – 2. Ms. Noel and Mr. Brown voted against.**

Mr. Hamilton and Mr. Brown had a discussion regarding 21-J:10, rulemaking for all the monitoring of the reappraisals that NH DRA does, etc. Mr. Eric Stohl asked about doing **(c)** under 21-J:11. Mr. Hamilton and Mr. Stohl discussed and Representative Schmidt agreed regarding oral rulemaking. A discussion followed.

Mr. Tom Thomson asked that specific numbers be included in the minutes for special purpose properties: Mr. Hamilton responded he believed it was 22 or 23 - 60% utility and 40% non-utility properties.

Reordering the 2016 Priority List:

Chairman Gerzon discussed items from the previous priority list and new topics which included: property record card clarification, creating a form to explain property record cards, review of certification levels, ethical code turned into rulemaking format and data availability.

Ms. Noel commented on background checks, recertifying and notifications etc. Ms. Patten asked about utility standards for the priority list. Mr. Gagne felt they had addressed that – a short discussion followed. Ms. Martin brought up certification levels – reviewing the sanctions and whether the board would be considering on the priority list under certification levels. Ms. Noel commented and advised they could put that on for January.

Chairman Gerzon moved to adjourn; and Mr. Gagne and Ms. Noel seconded.

Respectfully submitted,

Elizabeth McGill

Municipal and Property Division
NH Department of Revenue Administration

All meetings are recorded and are available upon request.

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

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