

APPENDIX II-C

RULEMAKING NOTICE FORM

Notice Number _____ Rule Number Rev 2800

1. Agency Name & Address:
**New Hampshire Department of Revenue
 Administration
 109 Pleasant Street
 PO Box 457
 Concord, New Hampshire 03302-0457**

2. RSA Authority: RSA 21-J:13, IX
 3. Federal Authority: _____
 4. Type of Action:
 Adoption _____
 Repeal _____
 Readoption X
 Readoption w/amendment X

5. Short Title: **Equalization of Assessment for Cities, Towns, Unincorporated Towns and Unorganized Places**

6. (a) Summary of what the rule says and of any proposed amendments:

Rev 2800 is being readopted in its entirety with editorial and housekeeping amendments to comply with the provisions of RSA 541-A, as a majority of the rules are scheduled to expire on February 22, 2023, but are subject to extension pursuant to RSA 541-A:14-a.

Last year, the Department of Revenue Administration (DRA) launched the third and final rollout of the new Revenue Information Management System (RIMS), which has modernized all aspects of the DRA’s tax collection and payment process. Rev 2803.02 is being readopted with amendments to reflect modernizations and improvements to filing, paying, and other processes resulting from the DRA’s RIMS project.

Chapter Rev 2800 sets forth the Department’s rules to perform the annual equalization as required under RSA 21-J:3, XIII, RSA 21-J:15, VII, RSA 21-J:9-a, and RSA 21-J:13, IX. The amendments include updating the definition for manual, update to the equalization ratio, as well as minor editorial changes.

6. (b) Brief description of the groups affected:

New Hampshire cities and towns, including their assessing officials.

6. (c) Specific section or sections of state statute or federal statute or regulation which the rule is intended to implement:

APPENDIX

RULE	STATUTE IMPLEMENTED
Rev 2801.01 - Rev 2801.06	RSA 21-J:13, IX; RSA 21-J:9, III
Rev 2802.01 - Rev 2804.02	RSA 21-J:13, IX
Rev 2803.01 - Rev 2803.04	RSA 21-J:13, IX; RSA 74:18
Rev 2804.01	RSA 21-J:13 IX, RSA 71-B:5 II

APPENDIX II-C (Continued)

RULEMAKING NOTICE FORM - Page 2

7. Contact person for copies and questions including requests to accommodate persons with disabilities:

Name: **Beth A. McDaniel** Title: **Paralegal**
Address: **109 Pleasant Street** Phone #: **603-230-5027**
PO Box 457 Fax#: **603-230-5932**
Concord New Hampshire 03302-0457 E-mail: **beth.a.mcdaniel@dra.nh.gov**

TTY/TDD Access: Relay NH 1-800-735-2964
or dial 711 (in NH)

8. Deadline for submission of materials in writing or, if practicable for the agency, in the electronic format specified: **Thursday, August 4, 2022**

Fax E-mail Other format (specify):

9. Public hearing scheduled for:

Date and Time: **Tuesday, July 26, 2022 at 10:00 am**

**New Hampshire Department of Revenue Administration
Medical and Surgical Building
109 Pleasant Street, 2nd Floor Hearings Room
Concord, NH 03301**

Place:

*****The security procedures at the Department of Revenue Administration require all visitors to sign-in and present photo identification. If you plan on attending the public hearing, please bring photo identification with you.*****

10. Fiscal Impact Statement (Prepared by Legislative Budget Assistant)

FIS # 22-118, dated 6/14/2022

11. Statement Relative to Part I, Article 28-a of the N.H. Constitution:

The proposed rule does not mandate fees, or additional local expenditures on a political subdivision of the state and, therefore, does not violate Part I, Article 28-a of the NH Constitution.

CHAPTER Rev 2800 EQUALIZATION OF ASSESSMENT FOR EACH TOWN, CITY, AND UNINCORPORATED PLACE WITHIN THE STATE

PART Rev 2801 DEFINITIONS

Readopt Rev 2801.01 through Rev 2801.03 effective 2-22-13 (Document #10277) to read as follows:

Rev 2801.01 "Assessing officials" means:

- (a) Governing body of a municipality;
- (b) Assessors of a municipality; or
- (c) County commissioners of an unincorporated place.

Rev 2801.02 "Department" means the department of revenue administration.

Rev 2801.03 "Equalization" means the process by which adjustments are made to each municipality's locally assessed values to calculate the estimated market value of the municipality.

Readopt with amendment Rev 2801.04 effective 2-22-13 (Document #10277) to read as follows:

Rev 2801.04 "Manual" means sections 1, 3, and 8 of the *most recently adopted* New Hampshire equalization manual *as* approved by the New Hampshire equalization standards board, ~~in effect on November 29, 2005.~~

Readopt Rev 2801.05 effective 2-22-13 (Document #10277) to read as follows:

Rev 2801.05 "Multi-modal" means 2 or more different classes or strata of properties assessed at statistically different ratios.

Readopt Rev 2801.06 effective 2-22-13 (Document #10277) to read as follows:

Rev 2801.06 "Municipality" means a city, town or unincorporated place.

PART Rev 2802 EQUALIZATION MANUAL

Readopt Rev 2802.01 effective 2-22-13 (Document #10277) to read as follows:

Rev 2802.01 Equalization Manual.

(a) In addition to the requirements of RSA 21-J:9-a, the department shall annually determine the total equalized valuation of properties in the cities and towns and unincorporated places in accordance with sections 1, 3, and 8 of the manual.

(b) The manual shall be available upon request at no cost by:

- (1) Accessing the web at www.revenue.nh.gov;
- (2) Calling (603) 230-5950; or
- (3) Writing to:

Assessing Standards Board Clerk
New Hampshire Department of Revenue Administration
109 Pleasant Street
PO Box 487
Concord, NH 03301-0487.

PART Rev 2803 DETERMINING THE AVERAGE LEVEL OF ASSESSMENT FOR EACH TOWN, CITY, AND UNINCORPORATED PLACE WITHIN THE STATE

Readopt Rev 2803.01 effective 2-22-13 (Document #10277) to read as follows:

Rev 2803.01 Municipal Assessment Data.

(a) Assessing officials shall submit municipal assessment data to the department as part of a sales assessment ratio study used in the equalization process.

(b) Assessing officials shall verify and provide the following municipal assessing data:

- (1) The previous tax year's assessment before applying exemptions or credits;
- (2) The current tax year's assessment before applying exemptions or credits;
- (3) A statement explaining the change if there is a difference between the prior and current tax year's assessments;
- (4) Comments verifying, amending and adding to the sales information that may affect the inclusion or exclusion of the sale; and
- (5) Information the assessing officials have knowledge of which would indicate that the sale or transfer might not reflect an arms length transaction as listed in section 3.05.02 (b) of the manual.

(c) Within 45 days of notification by the department, assessing officials shall:

- (1) Electronically file municipal assessment data with the department in a format compatible with the department's electronic system; and
- (2) Certify that the municipal assessment data certificate is complete and accurate to the best of their knowledge by mailing or delivering the certificate to:

New Hampshire Department of Revenue Administration
Equalization Bureau
109 Pleasant Street
PO Box 487
Concord, NH 03301-0487.

Readopt with amendment Rev 2803.02 effective 2-22-13 (Document #10277) to read as follows:

Rev 2803.02 Form PA-34, Inventory of Property Transfer.

- (a) The department shall use Form PA-34 to verify the municipal assessment data.
- (b) Every buyer, purchaser, grantee, assignee or transferee shall file ~~an original~~ Form PA-34 with the department no later than 30 days from the following, whichever is later:
- (1) The recording date of the deed at the registry of deeds; or
 - (2) The date of the transfer.
- (c) The ~~Form PA-34~~ inventory of property transfer shall be ~~mailed or delivered to:~~
- (1) *Filed electronically through the Granite Tax Connect web portal located at www.revenue.nh.gov/gtc; or*
 - (2) *Mailed or delivered to:*

New Hampshire Department of Revenue Administration
Equalization Bureau
109 Pleasant Street
PO Box 1313
Concord, New Hampshire 03301-1313.
- (d) A copy of completed Form PA-34 shall be filed with the municipality no later than 30 days from the following, whichever is later:
- (1) The recording date of the deed at the registry of deeds; or
 - (2) The date of the transfer.

Readopt with amendment Rev 2803.03 effective 2-22-13 (Document #10277), as amended effective 4-22-15 (Document 10815), to read as follows:

Rev 2803.03 Equalization Ratio.

- (a) The department shall use the weighted mean ratio to adjust a municipality's modified assessed valuation.
- ~~(b) The department shall use an equalization ratio of 1.00 if the weighted mean ratio with a 90% confidence interval straddles 1.00.~~
- ~~(b)~~(e) The department shall use the weighted mean ratio calculated to one tenth of one percent if the weighted mean ratio with a 90% confidence interval does not straddle 1.00.

~~(c)~~(d) If the weighted mean ratio does not accurately represent a municipality's level of assessment, the department shall determine an alternate ratio in accordance with the manual.

~~(d)~~(e) The criteria for an alternate ratio in ~~(c)~~ (d) above shall be:

- (1) The sample of sales does not contain the minimum of 20 valid sales;
- (2) An unexplained increase or decrease in the ratio that is more than 10% different than the increases or decreases of the ratios in any of the surrounding municipalities;
- (3) An unexplained increase or decrease in the ratio that is more than 10% different than the increases or decreases of the ratios in any other municipalities within the same cooperative or regional school district;
- (4) Supplemental data and information provided by the municipality shows that the sample of sales of properties is generally not reflective of the property comprising the municipality's valuation base;
- (5) Data and information provided by the municipality shows the weighted mean ratio is unduly affected by multi-modal assessments in the municipality;
- (6) A municipality requests, prior to the calculation of the total equalized valuation, separate assessment ratios by stratum provided that the strata:
 - a. Contain at least 20 valid sales; and
 - b. Have a confidence interval, calculated with a 90% confidence level, that is wholly outside the confidence level of other strata;
- (7) For (5) and (6) above, the municipality shall have provided accurate assessed value information consistent with the strata category used for the application of separate assessment ratios; and
- (8) In applying the separate ratios, a single, weighted overall ratio for the municipality shall be based upon the separate ratios and the total assessed valuation of each strata to adjust:
 - a. Payments-in-lieu-of taxes, including renewable generation facility property subject to a payment in lieu of taxes agreement under RSA 72:74.
 - b. Railroad tax monies;
 - c. Shared revenues;
 - d. Current use values for a municipality's equalization ratio; and
 - e. Compute the municipality's total equalized evaluation, where applicable.

Readopt Rev 2803.04 effective 2-22-13 (Document #10277) to read as follows:

Rev 2803.04 Revised Ratio Studies.

(a) The department may revise a municipality's ratio study if new or revised information is presented prior to the expiration of the appeal period pursuant to RSA 71-B:5, II.

(b) Revisions shall include, but are not limited to:

- (1) Correcting assessment errors;
- (2) Considering new verified information;
- (3) Correcting a sale's property code; or
- (4) Reviewing the representativeness of the sampling.

PART Rev 2804 APPEALS

Readopt Rev 2804.01 effective 2-22-13 (Document #10277) to read as follows:

Rev 2804.01 Appeals.

(a) Assessing officials may contact the department prior to the calculation of the total equalized valuation for:

- (1) Revisions as stated in Rev 2803.04 (b); or
- (2) Consideration of an alternate ratio methodology as stated in 3.11 of the manual.

(b) A municipality may appeal the total equalized valuations calculated by the department at the conclusion of the equalization process to the board of tax and land appeals in accordance with RSA 71-B:5, II.

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