Chair Patten convened the public forum at 3:15 p.m. and welcomed those in attendance.

Introduction of Board Members followed.

Chair Patten explained over the past six or eight months the board has been attending and following the meetings of the House Science, Technology and Energy Committee pertaining to House Bill 324, introduced by Representative Abrami, relative to changing how utilities are assessed in New Hampshire by having the municipalities adopt the RSA 83-F values determined by DRA. This bill created significant controversy and opposition and the bill was retained. The recommendation to the full House was to set up a commission to figure out how to assess utility properties in the state of NH. She stated, as the assessing standards board, we have a charge under RSA 21-J:14-b, to come up with standards and to recommend legislation for property tax assessments in the state of NH. The full board, along with a subcommittee, is looking to determine the standards for what to look for when assessing utilities and to provide recommendations to the legislature. The process began in March with the board hearing presentations from various assessors as well as the history of the unit method.

Chair Patten stated the subcommittees for the equalization manual and assessing manual will be meeting early next year to review and update the manuals and to see if procedural recommendations to the department are needed. She added the next full board meeting is scheduled for December 8, 2017, with a time and place to be determined.

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

Recently Completed

- Extensive subcommittee effort to create a white paper. An explanation to help people understand the benefits for assessors to have rental and expense information for the accurate valuation of property.
  - Published white paper on the ASB website as a valuable resource for helping people understand what that information is and what it is used for
• House Bill 323 - ASB proposed a change to the statutory reference to Standards 6 of the Uniform Standards of Professional Appraisal Practice in RSA 21-J:14-b. This was adopted by the Legislature and is now law for the ASB to adopt standards based on the entirety of USPAP rather than being limited to Standard 6.

• Comprehensive review of property record cards and the manuals that describe what can be found on property record cards.
  - Means to encourage municipalities to provide detailed information on the property record card for people to best understand what might be there
  - Provide better visibility and transparency to taxpayers using common language

Current Work Items

• Began the process of understanding some of the various approaches used to value regulated, multi-town utility property

• Determined “utility property” was too big a term and recognized issue was about regulated, multi-town utility property and not stand-alone utility property like a power plant located in one jurisdiction

• Full board met every two weeks from March – June. This has been an important exercise to hear from many people about the valuation of utility property

• We had a number of witnesses who came and talked to the board about the different approaches used to value this type of property
  - Each one was unique; there were none that had the same elements to them
  - Adopted a set of definitions to be able to describe what those various utility valuation procedures were and to help the board agree on a set of terms that best described the valuation process
  - Created a matrix to help communicate the differences and similarities between the different techniques that were being employed around the state
  - Remembering it was not in any way to judge, rate or rank which of the approaches was best or worst; it was simply a way to understand each one of the approaches presented

• Established a working subcommittee on utility valuation to work toward a recommendation for the full ASB to proceed in carrying out their statutory duty to recommend legislation in the property tax arena

Future Tasks

• Continue work on utility valuation with the subcommittee

• Conclude subcommittee’s rulemaking effort that was suspended due to Governor’s moratorium and House Bill 324 and move changes through JLCAR process
• Complete and file 2017 Annual Report with Governor, President of the Senate and Speaker of the House in order to let them know the important work we are doing and those things we have been able to conclude

• Complete review of the 2016 Assessment Review results. The adopted standards are used by the department to conduct a once in five year audit of each municipality and their assessing procedures. The information is used to help recommend changes to the ASB for the next cycle

• Review and update the Equalization Manual and equalization process particularly in response to the utility valuation issue the board is undertaking

• Review and update the Assessing Reference Manual and importantly those assessing review standards for the upcoming cycle of review which will being for tax year 2018 to include the reference to the entirety of USPAP and what that will mean for the process of the department’s examination of the assessing records of the community

Chair Patten welcomed input from the public.

**Public Comment**

Public member: A question was raised this morning at the Ayer B&B presentation about the state’s reporting of rooms and meals tax and the potential of having not only the name of who owns the property, company, individual, whatever, but an address so that we would know where that property was located to be able to see that it was more, possibly a residential property that was paying rooms and meals so that we would know who was operating that B&B for income purposes, for exemption purposes, whatever. Is that anything that may happen in the future?

Mr. Hamilton responded from the standpoint of tax records that are available to the public from DRA, it does include who are licensed as meals and rentals operators but the amount of taxes paid by those taxpayers is not.

Public member: Other than the amount they pay, there is no way of being able to find addresses of individual properties they pay on. It is not so much about getting the number but about knowing what properties pay rooms and meals.

Mr. Hamilton stated the state does not know those kinds of details. We get a license and the holder pays the state the taxes due.

Mr. Jenkins, an assessor with CNP, stated he is pursuing a supervisor certification but is having difficulty fulfilling the BTLA experience requirement and asked if there was an alternative to sitting in BTLA cases, a class perhaps.

This is a DRA certification requirement based on the standards adopted by the ASB. Ms. Martin stated this was discussed and recognized as being difficult when the board was going over the rules however it was determined testimony was needed. She added the NHAAO is looking at providing mock trials so that new assessors can get some practice and experience preparing for a case as well as a mentoring program.

Mr. Hamilton added the supervisor designation certifies an assessor can do anything including defend values at the BTLA and the subcommittee agreed that experience was necessary. He was encouraged by the discussion at the assessor’s association about a mentoring program which he thinks would provide a great benefit.

Chair Patten stated the board has determined everyone is using an approach to value utilities that is a little bit different which is why there is a diversity of values. Over the past few months, the board has created a matrix to
help provide an understanding about what is happening in the field. She reiterated this was not an attempt to judge whether or not an approach was right or wrong, only to understand what was happening to be able to recommend something to the subcommittee. The matrix is available to anyone who would like a copy. The next step is for the bill to go to the Senate followed by a hearing and discussion. It is the board’s hope to be able to provide to the commission the board’s reasons for what they feel the standards should be. At this time, the commission would be made up of the following (9) nine members, if passed:

- One representative from NH Utilities appointed by the Chair of the House Science, Technology and Energy Committee;
- One representative from NH Municipalities appointed by NHMA;
- One representative from DRA appointed by the Commissioner;
- One representative of certified municipal assessing officials appointed by NHAAO;
- One retired member of the Judiciary with experience in mediation or utility property valuations;
  - Or in absence of an able and willing retired judge;
  - A retired member of the PUC appointed by the House Municipal and County Committee
- One member of the public chosen by the ASB from among its current or past public members;
- Two members of the House of Representatives appointed by the Speaker of the House;
  - One who is a member of the Ways and Means Committee;
  - One who is a member of the Science, Technology and Energy Committee;
- One member from the Senate appointed by the President of the Senate.

The amendment to House Bill 324 is on the consent calendar and will be voted on January 4, 2018.

Mr. Karp asked if the ASB has ever discussed or considered solutions for the collection of taxes on mobile homes and campers. Mr. Karp stated towns have to process a significant number of abatements for these properties. Mr. Hamilton replied the board has never entered the area of tax collection; only assessing.

A brief discussion followed about mobile homes. Mr. Hamilton stated the NH Tax Collector’s Association has been working with the House Municipal and County Government Committee and Representative Gauthier’s subcommittee on a bill for this issue and solutions are being contemplated. The message he has heard in the hearings is that immediacy was the best way to avoid being in a situation where there is less value than the property taxes owed.

No further comments were received.

Mr. Gerzon motioned to adjourn. Mr. Lessard seconded the motion.

Chair Patten adjourned the public forum at 4:21 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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