

Assessing Standards Board Annual Report

December 2018

The Assessing Standard Board members elected Betsey Patten as Chair and Robert Gagne as Vice Chair in January. The full ASB met eight times and held one November forum during 2018. The subcommittees were very busy this year with updates and recommendations for change. Those subcommittees and times met are as follows:

Manual Subcommittee – Update of Assessing Manual – 6 meetings.

Utility Subcommittee – Finding recommendations for the valuing of utilities in the State of New Hampshire and reporting those recommendations to the full ASB committee and then to the HB324 Study Commission – 12 meetings.

Equalization Subcommittee – Reviewing any changes needed for the upcoming 5 year review cycles – 2 meetings.

Administrative Rules Subcommittee – Getting the proposed rules reviewed by DRA for correct format – 1 meeting.

Assessment Review Standards Changes

The date for submission of the USPAP Compliant Mass Appraisal Report was changed from January 1 to “within 30 days of the submission of the DRA MS-1 report” for a more timely report for the public to review. Also the statement was added “If there is a single sample that causes the review to not be met for this test due to the limited number of records in this category, the municipality will be reported to meet this standard” to provide a circuit breaker for the small towns. A change in sections F. and F.2., to delete the reference to “Standard 6” to be in line with a statute change in 2018.

Statute Change

An amendment to RSA 76:21, III., to extend the filing for proration assessment for damaged buildings, with the following language “[...] within 60 days or by the following March 1, whichever is later” to allow for landowners to apply for the proration in a timely manner.

Task Item

A review of the exemption and credit criteria was suggested to determine whether or not it is being followed. The applicable statutes are RSA 72:23, II.-V. and RSA 72:23-L. Also, a review of the view designation statistics was added to the task list.

Recommendations regarding Utility Assessments In response the filing of HB324 and HB1381 by the legislature during the 2017-2018 session the ASB held subcommittee meetings to create a formula to put in statute that would be fair, equitable and transparent to the taxpayers, ratepayers, the municipalities, the utilities and the assessing community. The subcommittee recommended the following findings to the full ASB who voted to report those findings to the legislature.

“To recommend to the NH General Court that a “use valuation” be determined by a formula adopted in statute for certain utility real estate, and that said use valuation shall be utilized by municipalities to determine the taxable value of real estate under Chapter RSA 72.

That the formula would apply to Utility Property, exclusive of land and land rights, belonging to a Regulated Utility pursuant to Chapter RSA 362, except those utilities exempted by RSA 362:4-c. The formula would apply to the real estate of: Electric Distribution Utilities, Water Distribution Utilities, and Gas Distribution Utilities.

That the Regulated Utilities owning such property be required to file annually an inventory for each municipality in which such property is located the Net Book Value and the Original Cost of such property. As used in this process, the terms Net Book Value and Original Cost will include Contributions in Aid of Construction.

That the formula for valuation of such property be annually determined to be a weighted average of the two reported costs in each municipality in the following manner:

- The reported Net Book Value be weighted 25%
- The reported Original Cost be weighted 75%

That the resulting annual valuation be equalized to the common level of assessment in the community, except in the year of an RSA 75:8-a reappraisal

That the formula be implemented over a five-year period.

That our communication will include our 21 guiding principles as determined by the utility valuation subcommittee and a copy of the example spreadsheets.”

Land and Land Values Recommendation

The following recommendation regarding land and land values was submitted to the HB 324 Study Commission. The average land value per acre per MS-1 for primarily used land with the provision that the excess land be allowed to be placed into current use assessment (79-A) with “all provisions of the current use law will being required.”

Respectfully Submitted, Betsey L. Patten, Chairman of the Assessing Standards Board.

Contact Information: asb@dra.nh.gov or PO Box 487 Concord, NH 03302-0487