Chair Patten convened the meeting at 9:30 a.m. and welcomed those in attendance.

Chair Patten reported that Tom Hughes has left the DRA and is now working at the BTLa. She thanked Mr. Hughes for the work he did for the Board and wished him well in his new adventure.

Introductions of the Board and members of the public followed.

Minutes

Mr. Gagne motioned to accept the minutes of March 8, 2019; seconded by Mr. Gerzon. No discussion. Chair Patten called the motion to accept the minutes of March 8, 2019, as written. Motion passed unanimously.

Rules Update

Mary Pinkham-Langer reported that she and Chair Patten met with Mike Morrell, Senior Committee Attorney, on April 3, at the Office of Legislative Services (OLS), to review the comments made by JLCAR pertaining to the Asb 300 rules. Many of the comments were minor grammatical edits such as capitalization; others required an explanation for Mr. Morrell to understand the function of the ASB. The grammatical corrections have been made and she followed with an explanation of the substantive changes.
Asb 301.32 “Malfeasance” means an intentional act of conduct which is unlawful.

Mr. Morrell suggested it was either an intentional “act” or intentional “conduct” which is unlawful; Ms. Pinkham-Langer and Chair Patten chose to go with “intentional act” which is unlawful.

Asb 301.36 “Misconduct” means:

A dereliction of duty;

(b) A violation of appraisal practice ethical standards, such as, but not limited to:

(1) New Hampshire assessing standards board (ASB);

(2) International Association of Assessing Officers (IAAO);

(3) New Hampshire Association of Assessing Officials (NHAAO); or

(4) Uniform standards of professional appraisal practice (USPAP);

Mr. Morrell was not sure what the appraisal practice ethical standards were so the most common standards used were added and he was satisfied with the change.

He also had a question pertaining to whether or not the Real Estate Appraisal Board (REAB) licensing certification applied to assessors. Ms. Pinkham-Langer referenced RSA 310-B:3, Ill., which exempts assessors from the REAB certification standards. To further clarify the type of certification, DRA was added before CERTIFICATION to PART Asb 303:

PART Asb 303 REQUIREMENTS FOR EACH LEVEL OF DRA CERTIFICATION

Mr. Morrell requested more of an introduction so the following clause was added Asb 303.03 and Asb 303.04.

Asb 303.03 Requirements to be a DRA-Certified Building Measurer and Lister. A person requesting certification under this section shall meet either of the following:

Asb 303.04 Requirements to be a DRA-Certified Property Assessor Assistant. A person requesting certification under this section shall meet either of the following:

Due to having so many abbreviations, IAAO was spelled out in Asb 303.04 (a)(2), International Association of Assessing Officers (IAAO) to provide further clarification.

(2) Documentation of successful completion, of International Association of Assessing Officers (IAAO) Course 101, or the equivalent requirements of a course focusing on the basic functions of the appraisal process and appraisal theories, offered by, but not limited to, those entities listed in Asb 301.05 (a);

This change also occurred in Asb 303.05 Requirements to be a DRA-Certified Property Assessor, and Asb 303.06 Requirements to be a DRA-Certified Property Assessor Supervisor.

The next change occurred in (c) of Asb 306.01 Requesting Certification or Recertification. The following statement was added provide clarification for how someone whose certification was suspended would reapply for certification.
A person whose certification has been suspended may apply in writing, to the DRA, by providing detailed documentation of having met the requirements as specified in the commissioner's suspension order, for:

The other area of concern was PART Asb 308.08 SANCTIONS, SUSPENSIONS, DECERTIFICATIONS AND OTHER DISCIPLINARY ACTIONS.

There was a question as to how the level of certification or decertification or suspension was determined. It is determined by the Commissioner and to provide clarity, the phrase “as determined by the commissioner” was added to each of the rules. For example:

Asb 308.01 Deceit-fraud, Bad Faith. A person who has practiced deceit-fraud as defined in Asb 301.20, bad faith as defined in Asb 301.09, shall be, at as the maximum penalty determined by the commissioner, decertified for a time period up to 5 years plus corrective action.

The next change, the word “inclusive” has been deleted; with adding in the phrase “as determined by the commissioner” it was no longer needed.

Asb 308.02 Unsworn Falsification. A person who has practiced unsworn falsification in procuring, or attempting to procure, DRA certification shall be, as the maximum penalty determined by the commissioner, prevented from applying again up to a period of 2 years, inclusive.

Those changes were made consistently through the remainder of the Asb 308. The phrase “for a time period” was also added to some definitions to provide further clarification to the designated time period.

Asb 308.05 Misconduct, Statute or Rule Violations. The penalty for Misconduct that affects the practice of assessing or violation of any NH applicable property assessing statutes, Asb 300 or Rev 600 rules shall be, as the maximum penalty determined by the commissioner, at a maximum, decertification for a time period up to 5 years plus corrective action.

Mr. Morrell suggested the following change to Asb 308.12, changing the word “prevented” to prohibited.

Asb 308.12 Non-Reporting. A person who does not include any information about suspensions or decertification similar to one issued under RSA 21-J:14-g prior to becoming DRA-certified shall be prevented prohibited from applying for certification for up to 2 years.

Mr. Morrell confirmed the following change in Asb 308.13 for clarification was also acceptable.

Asb 308.13 Commissioner’s Determination. In determining the penalty to be imposed under Asb 308.01 through Asb 308.12, the commissioner shall utilize the following factors:

(a) The assessing DRA certification level and years of experience of the person;

Chair Patten confirmed Mr. Thomson’s concern relating to the hours required for the various levels of certification will be reviewed by the subcommittee for the certification levels and requirements.
Mr. Gagne received information from Mr. Michaud to bring to the Board as he was unable to attend the meeting. Mr. Michaud reviewed the notes that were received from JLCAR on the rules and after a review of the revisions and final rules to be filed he has noted some things that do not appear to have been addressed.

Asb 301.09 “Bad faith” – Mr. Michaud stated there had been an issue with this in 2011 however after comments made, the response was approved; there appears to have been an issue this time but that was not changed in the review. Ms. Pinkham-Langer explained to Mr. Morrell that this pertained to contracts and contract law; that people shall have contract in place and after some discussion, Mr. Morrell did not have an objection.

Asb 301.17 “Cyclical inspection” – “[…] and data verification.” Mr. Michaud indicated there was a JLCAR Note: “Edit: Delete. This is unnecessary as the term is already included in “data collection.” Ms. Pinkham-Langer stated she explained to Mr. Morrell that the Board wanted to have additional information in there so it was perfectly clear, which Mr. Morrell was fine with. Mr. Gagne, for clarification, stated rather than referring it back to the definition, you wanted it here. Ms. Pinkham-Langer confirmed.

Asb 301.56 “USPAP compliant report” means an appraisal report based upon the standards established by the ASB pursuant to RSA 21-J:14-b, I, (c.) JLCAR Note: Unclear: Under this statute, it appears that the ASB only recommends standards to DRA. Mr. Michaud asked where this was addressed. Chair Patten explained the ASB’s relationship with the DRA under RSA 21-J, is to recommend standards, and once Mr. Morrell understood that relationship, he had no further objection.

Asb 303.03 (b) Equivalent professional work experience as listed in (a)(1) and (2) above in a similar field such as real estate brokerage, real estate appraisals for non-assessing services or work in other assessing jurisdictions. JLCAR note: Edit: (a) and (b) are separate rules as there is no intro language above (a). Additional language is needed in (b) to make it a requirement, or intro language is needed at the beginning of the section. Ms. Pinkham-Langer stated was this addressed earlier, that an introduction phrase was added to Asb 303.04 and Asb 303.04.

Mr. Gagne stated a lot of the other things Mr. Michaud inquired about appear to be small; he inquired if he could respond to Mr. Michaud and let him know that all of the comments made by JLCAR were addressed with Mr. Morrell and he was either satisfied with the explanations or requested changes, which were made. Ms. Pinkham-Langer confirmed she provided Mr. Morrell with a copy of this same document with changes, they were all discussed and no further edits were requested. Chair Patten thanked Mr. Michaud for his attention to detail.

Mr. Gagne moved to approve the Objection Response for the Asb 300 rules; seconded by Representative Proulx. No further discussion. Chair Patten called the motion to approve the Objection Response. Motion passed unanimously.

Chair Patten thanked Ms. Martin for her work on the rules. Mr. Gagne thanked Ms. Pinkham-Langer for her hard and diligent work on the rules.

Assessing Reference Manual Subcommittee

Mr. Gerzon reported the latest draft has been distributed to the subcommittee members for one last round of comments; any additional changes would be implemented in preparation to bring to the full Board. The timing of May or June ratification is still anticipated. He reiterated this was an update only of the manual and not a complete re-write. The intent was to look at the last five years of statutory and administrative rule activity and incorporate changes into the manual.
Mr. Gerzon noted that he changed the introductory comments slightly and took license to add a paragraph, subject to approval of the subcommittee and full Board, for special recognition of Steve Hamilton for his impact on the trajectory and work of the Board during his tenure on the Board and with the DRA. He added he did not change any of the previous recognitions, only added to.

A discussion followed whether or not to include legislative changes that may occur in 2019. Mr. Gagne felt an effective date is needed and suggested a summary of significant changes be created each year until the next update that could be linked to the manual. Mr. Gerzon indicated that was the intent of including frequently asked questions in the manual. Chair Patten added that House Bill 700 has passed the House on a voice vote and is now with the Senate. Being so close to having a resolution, she felt this would be important to recognize in the manual. Mr. Gerzon confirmed adding this information would not be difficult. He also requested DRA to look and see if there was a draft TIR of 2019 Legislative Changes that might be available for review.

A brief discussion followed whether or not members of the Board should attend the Senate hearing. Senator Gray encouraged written or in-person testimony to show support for the bill. The Senate hearing is scheduled for Wednesday, April 17, 10:10 a.m., Room 103 at the State House.

Chair Patten thanked the manual subcommittee for the time they put in. She added this is part of the education the Board has done for the public, municipal officers and assessing officials and the House and Senate. A lot of information and instruction has been put together in one place. Due to the pending utility outcome, she suggested waiting until the end of June to ratify the manual.

Public Comment

Laurie Ortolano, a resident of Nashua, expressed the following concerns she has in the City of Nashua:

- Lack of training in the assessing office
- Lack of a Chief Assessor
  - No one to focus on assessing
  - Cannot value defend their work
- Assessing
  - Measure and listing is inconsistent
  - Not enough training in the abatement process for residential properties
  - Sales chasing
  - Nepotism
- No training for the Board of Assessors
  - They struggle to understand their job and role
  - Lack of policies and understanding of how to run the office
- 5 year state review process
  - Feels it should be sooner than 5 years
- Filing of PA-71 Request for Commissioner Review and Determination
  - Required specific RSA and ASB regulation violated for each assessor
  - Difficult and complicated for a citizen to go through

A discussion followed about specific concerns and experiences Ms. Ortolano has experienced in the City relating to filing the PA-71, sales chasing and nepotism. She brought the information to the Board in the hopes that the training process could be strengthened. One of the issues is as the standards and rules have been developed and tightened, more time is required to do the job and more help is needed. Many towns do not want to pay what might be necessary to do the job better as budgets are already high enough.
Ms. Lentz agreed with Ms. Ortolano with regards to training and feels going to a meeting and getting credit hours is not enough training to maintain a certification; she believes it should be more than that. Contract assessors and municipalities have an obligation to make sure their assessors are trained and up-to-date on current assessing practices.

Ms. Martin suggested the NH Municipal Association may be a good resource for the City and training for its office staff and Board of Assessors.

**View Statistics**

A discussion took place about views. Statistics received in a ratio study report provided by Mr. Hughes did not provide any pertinent information. Mr. Thomson reiterated what most taxpayers want to understand is how the view assessment was developed. Chair Patten suggested reviewing a presentation given by John McSorley and the DRA that included a lot of good information.

Ms. Martin reiterated a view assessment is not a view tax; a view adds to market value and an assessor’s job is to value based on market value. Values are extracted from sales; they can be supported and defended; and the values can go up or down. She is happy to provide the criteria and information used for the 70 towns her company does work for including Randolph where they are doing an update and out of 35 sales, 17 have views. No two assessors are going to develop the value exactly the same however they are going to do the underlying analysis to extract what the view is adding to the value. How they apply it to the property record card, how they define and list it will be slightly different. She added there is no view tax; no more than there is a finished basement tax. That term has to stop being used; it is all part of the market value of property.

Chair Patten suggested reviewing the information from the DRA presentation and start gathering criteria for what is happening now. A suggestion was made to inquire with realtors how they are marketing properties with a view; look at multiple listings as they indicate what is influencing their estimate of what a property could be marketed for. Ms. Lentz added that Portsmouth has a unique factor, a bridge that lights up in different colors 24 hours a day. Properties are marketed and sold because of the bridge.

Mr. Kaufman, representing the public, stated it is perfectly fine to do this with the views for new sales because those people know what they are getting into, but those of us that have been in the home with a view for 20+ years and then all of sudden get hit with a higher assessment, it is devastating. He suggested a grandfather clause or something similar so existing property owners do not get impacted as much.

Discussion followed. One point made was that every situation is different and the reasoning for having a higher or lower assessment will depend on the situation. It was reiterated the ASB is always working towards consistent, fair and equitable values. Another point was the NH Constitution mandates everyone be valued the same; a new owner with a view cannot be valued differently than an old owner with a view when the locations are the same.

**Meeting dates**

Next meeting will be at the Call of the Chair

The individual task committees will meet over the next couple of months; meeting information to be determined.
Other Business

For the remaining task of USPAP filing information; the DRA will provide a report to the Board annually to review how the date change has affected the timing for filing the USPAP reports.

Ms. Pinkham-Langer will forward the JLCAR meeting date information to the Board once received. Chair Patten indicated she would attend.

Task Subcommittees

Review Certification Levels and Requirements –
➢ Ms. Martin, Mr. Thomson, Mr. Marazoff and Ms. Pinkham-Langer

Review Charitable, Religious and Educational Exemption Criteria
➢ Mr. Gagne, Mr. Lessard, Chair Patten and Mr. Brown

Review of View Statistics
➢ Ms. Martin, Representative Proulx, Mr. Thomson, Mr. Lessard and Mr. Marazoff
➢ A suggestion was made to get input from a realtor or fee appraiser

LIHTC
➢ Mr. Gagne and Mr. Reese

Mr. Lessard motioned to adjourn; seconded by Representative Schmidt.

Chair Patten adjourned the meeting at 11:20 a.m.

Respectfully submitted,

Stephanie Derosier

Municipal and Property Division

NH Department of Revenue Administration

All meetings are recorded and available upon request.

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

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Facsimile: (603) 230-5947
Web: www.revenue.nh.gov
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