

Assessing Standards Board
Regular Board Meeting

Approved as Amended

DATE: October 31, 2022

TIME: 9:30 a.m.

LOCATION: Department of Revenue – Training Room, 109 Pleasant Street, Concord

BOARD MEMBERS

(E) Excused absence.

Senator James Gray	<i>Municipal Official, Towns >3,000</i>
Senator Kevin Cavanaugh <i>(E)</i>	Robert Edwards, Municipal Official, <3,000
Representative Peter Schmidt	David Marazoff, NHAAO, At-Large Member <i>(E)</i>
Representative Tony Piemonte <i>(E)</i>	Loren Martin, NHAAO, Towns, <3,000
Betsy Patten, Public Member, Chair	Joe Lessard, NHAAO, Towns >3,000
Robert Gagne, NHAAO, City Official	Tom Thomson, Public Member
Sam Greene, NHDRA Commissioner, Designee	<i>Vacant, Public Member</i>
Jim Wheeler, Municipal Official, City, Designee	

MEMBERS of the PUBLIC

Jonathan Rice, Assessor, Concord	Marti Noel, Assessor, Milford
Emily Goldstein, Assessor	Phil Bodwell, NH DRA

Chair Patten convened the meeting at 9:30 a.m.

Introductions of the Board followed.

Minutes

Mr. Gagne *motioned to accept the minutes of the April 22, 2022, regular board meeting*; Mr. Lessard *seconded the motion*. No discussion. Chair Patten called the motion to approve the minutes of April 22, 2022, as written. Mr. Edwards, Mr. Greene abstained; all others approved. *Motion passed with majority vote.*

House Bill 411 - Commission to Study the Equalization Rate Used for the Calculation of a Property Tax Abatement

Mr. Wheeler acknowledged the participation of Mr. Greene, Senator Gray, Mr. Lessard, Representative Piemonte and Representative Janigian on the Committee. The purpose of the Committee was to review the process by which tax bills go out based on prior year equalization ratio and the abatement process that uses the most current equalization ratio. In the current market, equalization ratios are going down and property owners who go through the abatement process are receiving a tax break all other property owners are not receiving. The proposed solution for legislation is to use the ratio that was in effect when the property tax bills were issued. There were other more complex solutions however this seemed to be the simplest change to implement. Representative Janigian will be submitting the legislation.

Mr. Gagne stated he cannot support this change and will testify against it. The general level of assessment for the tax year is based on the sales wrapped around April 1. The issue at hand is specific to properties assessed every year based on their *current use*, including current use, low-income housing tax credit, telecommunication poles and conduits and utilities. For these properties, the prior year's ratio is the ratio that is available when MS-1 values are submitted in September and October. These properties are already being treated differently than other properties that are assessed at market value typically every 3, 4 or 5 years. To apply a year old ratio to these other market value properties is unfair and counter to case law and the Constitution. The properties assessed every year based on their *current use* are not assessed using the same standard of market value as every other property within the same jurisdiction. He respects the work of the Committee and the thought that went into the proposed legislation, and he believes this is an unintended consequence that was not known at that time. A suggestion was made to form a subcommittee to discuss the points Mr. Gagne brought forward, to understand the different types of properties and possibly propose language to clarify the issue. Chair Patten, Mr. Lessard, Ms. Martin, and Mr. Edwards, volunteered to be on the subcommittee.

House Bill 410 Study Commission on the Assessing of Power Generation and Utility Transmission

Chair Patten explained this study commission discussed the significant differences between the DRA utility values that are used to assess the statewide education tax, and the utility values set by the municipalities for property tax purposes. The differences between the generation facilities were significant and very little commonality was found. Due to the complexity of generation issues, the subject of transmission valuation was removed from the purpose of the commission. The confidentiality of information was also a significant issue. The utilities provide confidential information to the DRA which is protected by statute, and they are not comfortable providing to the municipalities, therefore municipalities are not receiving the same information. The list of findings and recommendation from the final report was distributed. Due to inability of the commission to come to a consensus within the limited time available, legislation will be filed in the House for the commission to continue in the next legislative session and fast-tracked.

Mr. Lessard *motioned for Ms. Patten to continue on the House Bill 410 study commission with Mr. Wheeler sitting in for meetings she may be unable to attend*; Mr. Gagne *seconded the motion*. No discussion. Chair Patten called the motion. *Motion passed unanimously*.

Equalization Subcommittee

Mr. Gagne reported the Equalization subcommittee met this morning to review equalization procedures and the manual. There are no suggested changes for the current tax year. There was discussion to increase the value threshold that requires an explanation from \$3,000 to \$5,000. There was also a suggestion and discussion to replace the value difference with a percentage difference. This would require a formula within the equalization software to calculate and DRA agreed to look into what that might involve. A discussion will also be needed to determine what the percentage difference might be or if a minimum and maximum percentage might be more appropriate.

It has also come to the Board's attention that a public forum is required on ratio study procedures. A public forum has been scheduled for November 17, 2022, at 4:00 p.m. at the NHMA Conference in Manchester, following the ASB's annual public forum on assessing standards and practices at 3:15 p.m..

Mr. Gagne will look to schedule a meeting for the equalization subcommittee earlier next year to recommend changes to the full Board before the next equalization season begins.

Assessing Certification Board Update

Chair Patten has reached out to Executive Director Lindsey Courtney at the Office of Professional Licensure and Certification (OPLC) for an update on the Assessing Certification Board. Legislation does not go into effect until January 1, 2023, however the OPLC and the DRA are working together to transfer the files in preparation of this date.

NHAAO Outreach Effort and Education Program for Measurer/Lister Training

Marti Noel, Assessor in the Town of Milford and a member of the NH Association of Assessing Officers (NHAAO) voiced the concern about the current workforce shortages in both the government and assessing field and the retirements that are anticipated in the near future. Assessing and municipal employment opportunities are out there but it has been difficult reaching people to fill these positions.

Ms. Noel, and NHAAO members Jonathan Rice, Emily Goldstein and Jim Rice, have been working together for the last few months to find a solution to the work shortage in the assessing field using the following ideas:

- Outreach - how to find people
- Exposure - informing people about careers in assessing
- Access - how can they enter the field

One proposed solution to introducing individuals to the field of assessing is to offer an informed, workable plan, outlining the steps to seek, train and obtain employment through education centers and NH Technical Institute (NHTI) has been looking to provide such a course. Ms. Noel and other assessors have developed a course in conjunction with NHTI Workforce Development. The course content includes a broad overview of the profession, discussion of hands on and practical application regarding what the job entails on a day-to-day basis, both physically and legally, where and how to find jobs here in New Hampshire and in neighboring states, expected pay scale from entry level positions through advanced level employment, what the career ladder entails and exposure to employers in the profession.

This course is structured to be informative and robust and help establish a good foundation before individuals are hired by potential employers; and before stepping foot on taxpayer properties thereby creating more safety and comfort to the taxpayer. The course will provide individuals entering into the assessing workforce awareness of physical assignments starting out in the field of property valuation as well as the steps for career advancement. The focus of the course will be on assessing but will also provide potential employees with a basic view of municipal and state administrative positions. The course will be taught by an Assessor Supervisor providing hands-on education and experience. NHTI will make this a badge course, meaning the students are certified to have proven knowledge in the field. Badging is a workforce development tool that has been developed; it is well-accepted within the college system and is becoming recognized by employers in many career fields for entry level positions and does not require a 4-year college degree. It is a gateway for individuals to earn while they learn so they can enter the workforce quickly and solve some of these employment issues.

The final benefit is that by completing this course, the potential employees earn 20 hours towards the oversight by the ASB for the 160 hours that are required. This will be a 10-week, 20 hours course, at a cost of \$700 and participation is limited to 16, at this time.

The Board expressed appreciation for the presentation, and the time, work and effort that went into this project. They wished the assessors luck and looked forward to hearing how the course went.

Correspondence Re: Comprehensive Exam

Chair Patten read an e-mail received from Daniel Scalzo relating to certification as a DRA-Certified Property Assessor Supervisor:

“Hello, my name is Daniel Scalzo and I have been speaking with Sam Greene regarding my application to be certified as an assessor supervisor. I understand that the new Asb rule this year makes it so an applicant needs to take a comprehensive exam which does not yet exist. Mr. Greene wanted me to reach out to you as to answer the question of what to do. Since there is no exam, what’s the next step for me to get certified? This is halting the advancing of my career through no fault of my own and I have met the qualification of the old rule at the beginning of the year but was told I needed to take workshop 452 which was newly added. Now I am being told I need to take an exam which does not exist. Help.”

Mr. Gagne *motioned to accept the CNHA exam as the comprehensive exam*; Mr. Lessard *seconded the motion*. A brief discussion included Mr. Greene suggesting the Board to obtain permission from the NHAAO to use their exam as the comprehensive exam requirement to become a DRA-Certified Property Assessor Supervisor and the timeline of how long this exam will remain in place.

Mr. Gagne *amended the motion to accept the CNHA exam as the comprehensive exam (as previously approved on 4/23/2021) and subject to approval by the NH Association of Assessing Officers (NHAAO), until such time as the responsibility for assessor certification is transferred to the Assessing Certification Board*; Mr. Lessard *seconded the amendment*. Chair Patten called the motion. *Motion passed unanimously*.

Assessment Review 2018-2020

Mr. Greene reported that assessment review for the years 2018-2020 are complete and a report was distributed illustrating the results. The Department is currently working on the reporting for 2021 and field work is still in process for 2022. Mr. Greene stated that the next assessment review cycle begins in 2023 and the Board may want to consider some changes based on the results of recent years.

Mr. Greene summarized the results. Compliance with the access to public records, April 1 assessment date and the revised inventory date standards, need some work.

He reminded the Board that about 10-years ago, the standards for current use were lowered to allow leniency in the review of records that are difficult for municipalities to attain and to provide ways that municipalities could improve their review by documenting requests showing a good faith effort to get missing information. Due to the changes to the standards and lack of teeth in the law, current use remains difficult to update and maintain appropriate records. Despite the efforts of municipalities, employee turnover, the lack of knowledge of the program and processing of records, makes it difficult for towns to improve their record keeping.

With the new 5-year cycle beginning in 2023, Mr. Greene suggested a subcommittee meet to begin the conversation about whether or not the standards should be updated and how. The Department will also begin meeting with towns whose assessment review year is in 2023 and it will be helpful to discuss changes with municipalities before file review work begins in the fall.

Mr. Edwards questioned how the towns are educated about this process. Mr. Greene explained that the Department meets with Selectmen, Assessor(s), the Town Administrator and other municipal personnel that may be involved with the review. The process, timeline and types of documents the DRA will be reviewing is discussed. Each municipality receives a letter notifying them of the results of their review and the municipality then has 30-days to respond.

In addition to current use, other areas of concern included the review of exemptions and credits and exempt entity records, as they could have significant financial impact on taxpayers. The PA-33, required for properties in a trust, is the document most often missing from records. The lack of education or knowledge of the review and qualification process for exemptions by municipal employees and the time and effort necessary to review files was also mentioned. Most other areas of review are consistently met and may be areas the Board wants to review. Chair Patten asked for volunteers to meet as a subcommittee to discuss the standards for 2023. Chair Patten, Ms. Martin, Mr. Greene, Mr. Edwards and Mr. Lessard volunteered.

New Business

Mr. Gagne explained that hospitality taxpayers are using RSA 76:21 Proration of Damaged Buildings, to request proration of their hotel properties for 2020 and 2021 due to the restrictions of the Covid pandemic despite having no physical damage. The issue is that the statute does not state “physical” damage. There have been several cases brought to superior courts with this issue and the question has been brought to the Supreme Court to determine whether it applies in this case or not. Mr. Gagne suggested the statute be modified to clarify what damage qualifies, which is “physical” in his opinion, versus the restrictions set by Covid, which he considers an economic issue. Senator Gray suggested caution submitting legislation on current litigation issues. He suggested waiting for the court decision before submitting a proposed change. The issue was added to the task list pending a court decision.

Meeting Schedule

Public Forum

NH Municipal Association Annual Conference at the DoubleTree by Hilton, Manchester

- 3:15 p.m. To accept general comment on assessing standards and practices
- 4:00 p.m. To accept general comment on ratio study procedures

Regular Board Meeting

Friday, December 9, 2022, at 9:30 p.m. at DRA

Ms. Martin *motioned to adjourn*; Representative Schmidt *seconded the motion*. *All approved*.

Chair Patten adjourned the meeting at 11:19 p.m.

Respectfully submitted,

Stephanie Martel, ASB Clerk
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
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109 Pleasant Street, Concord

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