

**Standards for Monitoring of Local Assessment Practices by the Department of
Revenue Administration Adopted by the Assessing Standards Board
April 14, 2023**

- I. The following standards have been established by the Assessing Standards Board (ASB) in accordance with the provisions of RSA 21-J:14-b and RSA 21-J:11-a. These standards shall be used by the Department of Revenue Administration (DRA) to measure and analyze the political subdivision for reporting to the municipality and the ASB. These standards assist the Commissioner in determining the degree to which assessments of a municipality achieve substantial compliance with applicable statutes and rules.

- II. Pursuant to laws of 2003, Chapter Law 307, Section 5, “The general court recognizes all the work in creating a set of proposed standards for the certification of assessments. There is reason for concern, however, that these standards may have an inequitable impact on municipalities within the state due to differences between municipalities in such characteristics as size, parcel count, number of sales, and geographic location. Therefore, the general court finds that in order for the state to continue to implement fair and equitable assessing practices, it is necessary to further analyze the assessing practices of the state’s political subdivisions.”

- III. These standards address the five assessment areas that the Commissioner may consider, which are specifically identified in RSA 21-J:11-a and RSA 21-J:14-b, in regard to whether the:
 - A. Level of assessments and uniformity of assessments are within acceptable ranges as established by the ASB by considering, where appropriate, an assessment-to-sales ratio study conducted by the DRA for the municipality.
 1. Level of Assessments. The DRA shall determine if the median ratio falls between 0.90 and 1.10, inclusive, with a 90% confidence interval in the year of the review.
 2. Uniformity of Assessments. The DRA shall determine if the overall coefficient of dispersion (COD) for the municipality’s median ratio is not greater than 20.0 without the use of a confidence interval.
 3. Proportionality of Assessments. The DRA shall determine that assessments of various types of properties are reasonably proportional to other types of properties within the municipality by:
 - a. Determining that the municipality’s median ratios with a 90% confidence level for the following 3 strata are within 5% of the overall median ratio (point estimate):
 - i. Improved residential up to and including 4-family units;
 - ii. Improved non-residential; and,

- iii. Unimproved property.
 - b. Determining the municipality's price related differential (PRD) is between .98 and 1.03, inclusive, with a 90% confidence level.
- B. Assessment practices substantially comply with applicable statutes and rules.
1. The DRA shall determine that all records of the municipality's assessing offices are maintained in accordance with applicable statutes and administrative rules by ensuring that:
 - a. All public records, including but not limited to, property record cards, tax maps, data collection manuals, sales analysis pertaining to assessment values, USPAP report, property inventory warrants, and inventory forms, if applicable, are made available to the public in accordance with RSA 91-A; and
 - b. All confidential records, including but not limited to, all documents submitted in the furtherance of applications for a tax credit or exemption, or a worksheet used to summarize such documents are kept in a non-public file and that those documents or copies of documents provided under RSA 72:34 I. and II., are returned to the applicant after the final disposition of the application.
 2. The DRA shall determine that property record cards reflect assessments of properties as of April 1 (RSA 74:1). When tested, 90% of the sample shall be correct. 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. A municipality shall not assess parcels or new construction that did not exist as of April 1 of that tax year.
 3. The DRA shall determine that a municipality has a revised inventory program in place that addresses compliance with RSA 75:8, which provides that annually, and in accordance with state assessing guidelines, assessors and selectmen shall adjust assessments to reflect changes so that all assessments are reasonably proportional within the municipality.
 4. The DRA shall determine that 85% of the current use property records in the sample reviewed have:
 - a. A timely filed Form A-10, Application for Current Use Assessment in accordance with RSA 79-A:5 and Cub 302, or evidence of appropriate recording at the registry of deeds. If the original documents cannot be located, the municipality shall provide documentation of their attempt(s) to obtain the information from the landowner. If the landowner fails to respond, the municipal assessing officials may provide equivalent documentation to the best of their knowledge;

- b. If applicable, a timely filed forest stewardship plan or Form CU-12, Summary of Forest Stewardship Plan for Current Use Assessment, in accordance with Cub 304.07;
 - c. Current use valuations assessed in accordance with Cub 304 and Cub 305; and,
 - d. A procedure to determine, prior to July 1 of each year, if previously classified land has undergone a change in use for purposes of assessing the Land Use Change Tax in accordance with RSA 79-A:7 and Cub 308, and documentation on which the tax was based.
 - e. 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.
5. The DRA shall determine that, in accordance with RSA 21-J:11, all appraisal service contracts or agreements in effect during the assessment review year for tax assessment purposes:
- a. Are submitted to the DRA, prior to work commencing, as notification that appraisal work shall be done in the municipality;
 - b. Include the names and levels of certification of all personnel to be employed under the contract or agreement; and,
 - c. Include proof of indemnification or insurance.
- C. Exemption and tax credit procedures substantially comply with applicable statutes and rules by testing to see that:
- 1. A periodic review has been completed by the municipality at least once every assessment review cycle with no more than a 5% error rate for:
 - a. All tax credit applications; and,
 - b. All exemption applications.
 - c. 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.
 - 2. Annually, pursuant to RSA 74:2, the municipality reviews all Religious, Educational and Charitable exemptions and has on file a current and complete Form BTLA A-9, List of Real Estate on which Exemption is Claimed as described in Tax 401.04(b).
 - 3. Annually, pursuant to RSA 72:23,VI, the municipality has on file a current and complete form BTLA A-12, Charitable Organization Financial Statement, as described in Tax 401.01(c), for all charitable exemptions.

- D. Assessments are based on reasonably accurate data.
1. The municipality has no material errors on at least 90% of the property record cards reviewed by the DRA. 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. A material error is defined to be 5% of the improved assessed value of the property if the errors are attributable to the improvements or if attributable to the assessed land value, a variance greater than 5% of the land or if attributable to both improvements and land a variance greater than 5% of the total assessed value; that includes but is not limited to:
 - a. Mathematical miscalculations;
 - b. Inconsistent land values without notation or documentation;
 - c. Inconsistent depreciation without notation or documentation;
 - d. Inconsistent neighborhood adjustments without notation or documentation;
 - e. Market adjustments without notation or documentation;
 - f. Acreage noted that does not match the tax map unless otherwise noted;
 - g. Omission of data such as, but not limited to:
 - i. Addition of improvements;
 - ii. Removal of improvements; and,
 - iii. Conversion of improvements;
 - h. Erroneous measurements resulting in a square foot variance of 10% or more of the primary improvement(s).
 2. The level of accuracy of the data elements will be determined by the DRA by comparing the information regularly collected on a sample of property record cards with the actual property. The DRA will report the number of parcels sampled that have three or more data element errors. Prior to commencement of the review process, the DRA will meet with the municipality's assessing officials to obtain an understanding of the municipality's data collection techniques used to determine value and the data elements regularly collected by the municipality that are included on the municipality's property record cards.
- E. Revaluations including full revaluations, partial revaluations, cyclical revaluations and statistical updates conducted by either an independent contractor or an in-house assessor, a report based on the most recent edition of the Uniform Standards of Professional Appraisal Practice (USPAP) shall be produced within 30 days of the submission of the DRA MS-1 report.
1. Copies of this report shall be delivered to the municipality and to the DRA at no additional cost.

2. The DRA shall review these reports for timeliness and compliance with the most recent edition of the USPAP and incorporate its findings in the assessment review process.
 3. In accordance with RSA 21-J:11-a, II, the DRA shall report its findings to the ASB and the municipality.
- IV. Property sales utilized in the DRA's annual assessment ratio study conducted for equalization purposes shall be used to calculate the median ratios, CODs, and PRDs under standard III (A) above. The ratio percentages shall be rounded to 3 places. The sample size of the ratio study shall contain at least 2% of the total taxable parcels in a municipality; and have a total of at least 8 sales. Alterations to property sales may be based upon documentation submitted by the municipality such as, but not limited to:
- A. Sales involving an exchange of property for boundary line adjustments;
 - B. Sales of personal property included in the sale; and,
 - C. Sales of properties located in more than one municipality.
- V. In accordance with RSA 21-J:14-b II., these standards will be reviewed annually and updated as needed. Minutes of the ASB along with meeting and forum schedules may be found at the DRA website.