

Assessing Standards Board
Subcommittee to Review Assessment Review Standards

Approved as written

DATE: February 3, 2023

TIME: 11:00 a.m.

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

SUBCOMMITTEE MEMBERS

(E) Excused

Robert Edwards, Chair
Loren Martin
Joe Lessard

Betsey Patten
Sam Greene
Bob Gagne

MEMBERS of the PUBLIC

No public in attendance.

Mr. Edwards convened the meeting at 11:00 a.m.

Minutes

The committee began the meeting with a review and discussion of the suggested edits for the January 27, 2023, minutes. Due the number of the edits, the list is attached at the end of the minutes. Ms. Patten ***motioned to approve the minutes of the January 27, 2023, meeting, as amended***; Mr. Lessard ***seconded the motion***. No further discussion. Mr. Edwards called the motion to approve the minutes of January 27, 2023, as amended. ***Motion passed unanimously.***

Standard III. B. 4. Relating to Current Use

Mr. Greene began by explaining the DRA's procedure for reviewing current use records. There must be evidence of a recording that reflects the current property, typically Form A-10, Application for Current Use or equivalent documentation such as a recorded list of properties. The difficulty arises when a property has undergone multiple changes including size and ownership over the years and there is not sufficient evidence of those changes in the file.

There are instances where the original recording is present but may include numerous other properties, an A-10 without evidence of being recorded (having a book and page number), and multiple A-10's for the same property used to document changes, that may or may not have been recorded, possibly creating a duplicate recording. This may create an issue when property is disqualified from current use and a land use change tax issued; each recording for that property will need to be referenced in the release.

Each municipality has undergone an assessment review and received input on the requirements of this standard and it was suggested that an effort should have been made to organize and update all current use records. Once done, it is done and only needs to be updated as needed. It was noted that not all municipalities have the resources to do this or the funds to pay to have it done. Municipalities are

notified by the DRA if no evidence of a recording is found, and it is their responsibility to research and verify.

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.

Tax maps are another significant problem as many files do not have one. For the last review cycle, municipalities were allowed to send a letter to landowners, specific to each property owner, requesting they provide a tax map or other missing information. Some municipalities created a tax map and sent to owners to verify or correct the information, to meet the standard. Many of these requests go unanswered and there is no penalty under the current use law to assist with compliance.

For those files that do have a map, there is a significant difference ranging from well-detailed to no detail. A property does not need to be surveyed to create a tax map. Cub 302 lists the required information for a tax map, such as land not in current use and areas of specific categories. A tax map should provide enough information for an assessor to verify the categories of a property and identify the land not in current use.

There was a question as to how often the effort to request missing information should be done and how that would affect the DRA review which uses a random sample. It was suggested that requests should be made for incomplete files at least once every review cycle. Mr. Greene was asked to draft some language and bring back to the committee for discussion.

Standard III. B. 4. b. Relating to Forest Stewardship Plans

Current forest stewardship plans do not always have a term or expiration date making it difficult for assessors and DRA personnel to know whether a plan is currently being managed or not. There are current rule changes in rulemaking relating to the forest stewardship plan that add a term or expiration date to the plan and, in the case of a sale, providing a new landowner six months to notify the municipality whether they will continue with the current plan or remove the land from stewardship.

- b. If applicable, a timely filed Form CU-12, Summary of Forest Stewardship Plan for Current Use Assessment, **or forest stewardship plan**, in accordance with RSA 79-A:5 and Cub 304.0[9]7;
- 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 documentation on which the tax was based**.

Mr. Greene explained the DRA advises municipalities to have on file documentation of how a land use change tax was determined and recommends that it be added to the standards as a requirement. Ms. Martin explained that her company writes a letter to the municipality explaining why the land is being removed from current use, how much is being removed, the date it will be removed, and provides sales or if it is a non-uniform value, it is equalized as required by statute. With providing an opinion of value

based on sales, she is concerned it may be an issue with USPAP because a USPAP compliant report is not being prepared for that appraisal.

The appraisal of a land use change tax may vary significantly from simple to complex. After some discussion, it was suggested there should be information available explaining the methodology and determination of the value on file. The USPAP concern was thought valid however for assessment review purposes, documentation explaining the value versus having a number on a sticky note was the recommendation from Mr. Greene.

There was a question about the July 1 reference in d. and what the procedure was. It was suggested that the reference be looked into and followed up at the next meeting. There was a difference in opinion about the land use change tax warrant and whether or not it had to be on a form prescribed by the Commissioner. Mr. Greene felt it did and Ms. Martin believed it was only the land use change tax bill that was required to be on a form prescribed by the Commissioner. Mr. Greene confirmed that DRA currently asks for an A-5W or similar form.

Next Meeting

Friday, February 24, 2023, at 9:30 a.m. at the DRA

Mr. Lessard *motioned to adjourn*; Mr. Greene *seconded the motion*.

Mr. Edwards adjourned the meeting at 1:01 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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