

Assessing Standards Board
Subcommittee to Review Assessment Review Standards

Approved as written

DATE: February 24, 2023

TIME: 10:00 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 10:00 a.m.

Minutes

Mr. Gagne *motioned to accept the minutes of the February 3, 2023, meeting*; Ms. Patten *seconded the motion*. No discussion. Mr. Edwards called the motion to approve the minutes of February 27, 2023, as written. *Motion passed unanimously.*

The answer and reference to the question relating to a municipality having a procedure in place to determine if previously classified lands had undergone a change in use by July 1 was found in RSA 79-A:5, IV.

Standard III. B. 5. a. Contracts

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 are:
 - a. Submitted to the DRA, prior to work commencing, as notification that appraisal work shall be done in the municipality; [~~and,~~]
 - b. Include the names of all personnel *and level of certification*, to be employed under the contract or agreement[.]; *and,*
 - c. ***Proof of indemnification or insurance.***

Mr. Greene explained the Department reviews contracts for various assessing work including general assessing, cyclical inspections, and utility valuation and revaluations. All contracts must be sent to the Department before work begins. The Department has 10 days to review and provide recommendations

or corrections, if any, such as missing information or to clarify language or type of work to be performed. If a review of a contract is not completed within 10-days, the contractor and assessor may sign the contract, unless it is a BTLA ordered revaluation. In this case, the contract must be approved before work can begin.

Based on the review conducted by the Department, and some discussion, the following changes were suggested:

b. Include the names of all personnel *and level of certification*, to be employed under the contract or agreement[-]; *and*,

c. Proof of indemnification or insurance.

Standard III. C. 1. Exemptions and Tax Credits

Mr. Greene explained this review is to make sure that each file undergoes at least a once every five-year review to verify change(s), if any, whether the individual still qualifies for the exemption or tax credit and that the correct exemption amount or tax credit is being applied. The Department provides a sample affidavit form that municipalities may use to document this process, or they may create their own.

Standard III C. 2. and 3. Religious, Educational and Charitable Exemptions

Mr. Greene explained the DRA review consists of looking at each file for a properly completed form, A-9 or A-12, verifying the entity exists and that financial records were reviewed and kept confidential, if applicable. The DRA may provide information about entities that apply and receive the exemption that may not qualify but it is not the role of the DRA to verify qualification of an entity. If there is a question about the qualification of an entity, municipalities are encouraged to discuss with the assessor or municipal counsel.

The question was raised about the Ossipee decision and whether that may prompt any changes. The BTLA will be updating A-9 and A-12 forms, with addendums, that will hopefully require more diligence on the part of the municipalities in reviewing and approving the exemptions.

It was also noted that some municipalities grant an exemption to a non-qualifying entity or provide the exemption without receiving a completed form annually from an entity and some municipalities (correctly) do not. Not all entities that file an A-9 or an A-12 qualify but may be granted the exemption regardless based on a local decision by the municipal assessing officials rather than qualification.

As this is an annual process, it was suggested the DRA modify their review to not only review and verify whether the current year records meet the standard but to include a review of the previous four years to see whether or not the standard was met each year.

There were no changes recommended for Standard III. C. 1., 2. and 3.

Standard III. D. Data Verification

There was a lengthy discussion about this standard and a question about the information derived from it. Mr. Greene explained this is a standard that is rarely not met based on the current language and percentage thresholds. The time and effort that goes into calculating the percentages of errors, which

may be many, for a standard that is almost always met, raises questions about its purpose. There was a question whether or not another measure of accuracy might be more appropriate, but no ideas were offered at this time. There was a suggestion to review the IAAO Standards for an alternative measure.

Standard III. F. USPAP Reports

Mr. Greene stated the DRA review is to verify whether or not the USPAP report is provided within 30-days of the final MS-1 being submitted to the Department. He stated timeliness is an issue. Ms. Martin stated she lobbied for this change, which was not a popular one among assessors, because she believes a taxpayer should be able to see and understand how their value was derived when they receive their tax bill. There was a question whether a report should be made available to the public before the DRA has completed its review and Ms. Martin believes that it should be. If the DRA has questions, or information is needed to complete the report, the majority of the information needed to determine how a value was derived is in the report and it can be updated, if necessary.

Next Meeting

Friday, March 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 12:22 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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Assessing Standards Board

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